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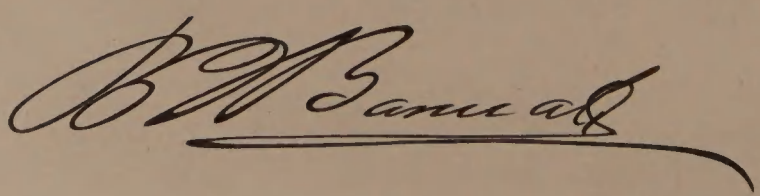

B. I. BARNATO

A MEMOIR

BY

HARRY RAYMOND

WITH PORTRAITS AND ILLUSTRATIONS

LONDON: ISBISTER AND COMPANY LIMITED
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CHAPTER I

FOUNDING A FORTUNE

The story of the book—The South African Diamond Fields—Henry Isaacs, pioneer—The Isaacs family—Barnett Isaacs leaves for South Africa—His financial position—The waggon journey : Capetown to the Diamond Fields—The name " Barnato " adopted—The beginning of wealth

It is now a little more than three years ago that I interviewed Mr. B. I. Barnato on behalf of the South African newspaper on whose staff I had then the honour to serve. The interview itself was a success. I found my subject willing to talk and to answer every question I put to him, and when I had obtained all the information I wanted, he said:

"You must let me see a proof."

"No, you cannot have that," I replied. "Your answers will be published exactly in your own words with such few of my questions as are necessary to make the whole plain. At any rate, if you want the proof you must see the editor."

"Very well, I will trust to you, but remember I want what I said published and not what you may think I intended to convey. I say to you as I say to men who try to tell my stories, 'Either tell 'em as I do, or else tell 'em as your own and nobody will care.'"

I wrote the interview, some column and a half being occupied by the actual Barnato matter, but although I had met him many times before and had seen much of him, I

had never written anything about him. In an introductory half-column I therefore gave my personal impressions of the man himself. The next morning the whole matter appeared and before luncheon Barnato sent for me.

"I have read the interview," he began, "what made you begin with all that about me?"

"I promised that what you said should appear as you said it, but I did not promise not to add anything that occurred to me."

"Yes, the answers are all correct word for word; and your introduction, which came as a surprise, is very kind, very kind indeed."

He mused awhile, looking out of the window with his back to me, and then turned sharply round.

"I wonder if any one will write as kindly of me when I am dead."

"If I outlive you," I replied, "I will write honestly what I know and think."

"That's a bargain remember, shake hands on it," and we shook hands.

It was, I do believe, merely a joke on his part at the time, as it certainly was on mine; and on many later occasions he laughingly expressed the hope that I was keeping up to date.

That promise lightly given, I now, with a deep sense of responsibility, attempt to redeem.

I have not to write a biography, for my subject was above all things else a business man, and the daily routine of a business man is a weariness; but I do hope to produce a memoir in which those who knew him shall find his stories told in his own words, and from which those who did not know him shall be able to gather what sort of a man the Barney of the old Kimberley camp days and the astute financier of Johannesburg and London City was.

It is now nearly thirty years ago that the first diamonds were discovered in South Africa on the banks of the Vaal

River and on the veld adjoining Colesberg Kopje, now the very centre of the town of Kimberley, and represented by the yawning gulf of the great open Kimberley mine. From 1869 a constant flood of men, and of women too, of all nationalities and occupations, began to flow steadily northwards to the Diamond Fields. There were three modes of conveyance, the most expensive and comfortless being the post-cart taking three passengers only; the slightly less expensive and very little more comfortable coach, carrying sixteen inside passengers and drawn by teams numbering from eight to twenty horses, mules, or both according to locality; and the leisurely, but most comfortable and safe ox-waggon. After the first rush and during the next three years the alluvial workings were much neglected in favour of mining the yellow surface earths in the neighbourhood of the Colesberg Kopje, and when this itself was found to be diamondiferous it was quickly pegged off into claims, with the result that the Kopje* disappeared and was literally rooted out, a vast hole 900 feet deep now appearing in its place.

By 1871 there were gathered on the Diamond Fields in a series of camps, known only by the names of the original farms on which they were situated, some 4000 white people with four times that number of Kafirs. Griqualand West, the district in which the Diamond Fields are situated, is a region of flat plains covered with thick blue grass after the rains, but otherwise barren of all vegetation except that the mimosa marks the courses of the beds of the torrents. There was no building timber within hundreds of miles, everything had to be brought by the ox-waggon over 700 miles of broken country; happy indeed was the man who could secure decently large packing-case wood to make a hut, and was able to render it waterproof by ingeniously nailing on tin linings. To possess a good strong double tent was to live in a luxurious mansion. It was in this year that there arrived

* A Cape-Dutch word in general use throughout South Africa, signifying a small hill.

on the Diamond Fields a young Hebrew who, being willing to turn his hand to whatever offered, and having made some reputation at Home as an amateur conjurer and entertainer, thought an opening might be made. His given and family names were Henry Isaacs, and thinking his chance would be greater as a public entertainer than in any other direction, he adopted the professional name of Barnato in addition. As fortune willed it, Henry, or to give him the camp familiarity, Harry Barnato, found that his efforts at public entertaining were too strictly amateur to suit his slender purse; and he obtained other more remunerative employments which led in a few months to his being engaged wholly in the occupation of dealing in diamonds. The slang camp term indeed for this was "kopje wallopper," derived from the circumstance that in the earliest days the diamonds were obtained from a number of kopjes or small hills in the neighbourhood of the camp, and the dealers travelled on foot from one to the other purchasing the finds as they were turned out at the sorting tables. Those early days in Kimberley were rough indeed so far as the labour went, for the Kafirs dug out the diamondiferous earth and carried it to a rough table or perhaps packing case only, where the claim owner himself sorted it over, picking out all the diamonds he could see. How carelessly and hastily the sorting was done is attested to this day by the number of men who make a living, and occasionally much more, by *débris* washing—*i.e.*, re-sorting the old waste heaps. By the end of 1871, Harry Barnato found that there was not only a living to be obtained on the Diamond Fields for himself, but that there were abundant opportunities for his younger brother, Barnett Isaacs, familiarly known as "Barney," and he wrote home advising that Barney should come out at once.

The younger brother, the subject of this memoir, who was so soon to surpass in fame and the variety of his business the senior and predecessor in South Africa, was the third child and second son of a worthy and pious Hebrew, Isaac Isaacs,

whose ancestors had for many generations been domiciled in London. The grandfather was a rabbi of the synagogue in the neighbourhood, a very learned, deeply religious man of great reputation among the Hebrews, but Isaac Isaacs found that his bent was more towards an active life and the cultivation of commercial relations with his fellows. He succeeded in establishing himself in a small house and shop in a turning out of Aldgate as a general dealer; and here he remained until, at the solicitation of his successful children, he retired from business, and transferred his simple habits of life to the elaborate setting of a West End mansion. The old house and all adjoining buildings have been swept out of existence by recent County Council improvements, but in that humble abode Isaac Isaacs and his wife Leah, a relative of the late Sir George Jessel, Master of the Rolls, reared their family of five children, three daughters and the two boys Henry and Barnett. The business was always fairly prosperous and the circumstances of the family were very comfortable, far removed from the deep poverty in which many of their co-religionists in the neighbourhood exist. The children were all educated exclusively at the Hebrew Free School, established some seventy years ago, in Bell Lane, Spitalfields, one of the noblest of Hebrew institutions, which from the beginning has been an excellent type of a voluntary elementary school, although the curriculum is decidedly above that of the modern higher-grade Board school. The boys were fortunate in being under Moses Angel, the most celebrated headmaster of the school, and an eminent contributor to educational literature. The late Right Hon. W. E. Forster consulted him many times during the framing of the School Board Bill of 1870 and the compilation of the subsequent Education Code, and freely acknowledged his indebtedness. On attaining the age of fourteen years they each left school, and this sufficed as the foundation of their after brilliant careers, for neither was studiously inclined, and here their book-learning ended. For

a few years they aided their father in his business, and when Henry left home to try his fortune in South Africa, Barney, then eighteen years old, had already made some reputation as a sharp, keen business man. There seemed, however, to him to be little chance of materially improving his fortunes in England, and when Henry's welcome letter arrived he at once decided to go. The passage-money and outfit presented no difficulty, for he was never without money of his own from the age of fifteen or sixteen years, and at this time his resources exceeded in ready cash one hundred pounds. Of course this was husbanded as carefully as possible, and on arrival at Capetown he still had in his pocket between fifty and sixty pounds. On the eve of leaving London a few of his old schoolfellows clubbed together and presented him with a watch. Years after, when many times a millionaire, the same watch, as carefully preserved as the circumstances of a rough life allowed, accompanied him, still in good going order.

Barnett Isaacs, together with a cousin, Barnett Harris, sailed for Capetown in July 1873, by the Union Steamship Company's *Anglian*, that being her maiden voyage, and after an uneventful passage of twenty-seven days landed at Capetown. He was then in his twenty-first year, full of energy and determination, as he was to the last; and with his youthful imagination fired by the published reports of the wealth of the Diamond Fields, corroborated by the more guarded statements in his brother Henry's letter, he determined before leaving London to go straight away to the Fields without delay, and try if it was possible to secure a share of the glittering wealth, and from this he was not to be dissuaded. He has himself, in a story contributed to the Christmas number of the *Pelican*, told how he encountered on the stoep of the Masonic Hotel at Capetown an individual clad in gorgeous raiment, ornamented with a profusion of large diamonds, who asked his name and where he was going to; and on learning that the Fields were his destination, endeavoured

to change his resolution, saying that he had himself cleared out all the diamonds that were there. Of course the youngster was a little cast down at this, but still stuck to the determination to see for himself, especially as brother Henry was there already. Years after he met the same stranger in Johannesburg, and was asked how he managed to become chairman of the De Beers Company.

"By not taking your advice," was the reply.

The story is a pretty one, but it has gone round so many times already that I may mention without spoiling any one's relish, that its author classed it among his many successful works of fiction.

At Capetown there was no business to cause delay, and Barnett Isaacs wasted no time in arranging for his conveyance up country by a train of waggons belonging to the Diamond Fields Transport Company. In describing this his first South African journey he afterwards said:

"It occupied nearly two months, one of the jolliest times I have ever had. The accommodation consisted of permission to walk alongside a waggon when it moved, and to sleep under it when it stopped. I made my first acquaintance then with mealie porridge and biltong, and have a keen relish for both still. I had not been very well or bright for some months before leaving England, but the waggon journey, or rather tramp over the veld, put me right and I marched into Dutoitspan fit for anything."

On arrival on the Fields the name of Barnett Isaacs disappeared for ever, for he at once adopted Harry's professional name, and henceforth became B. I. Barnato; though ever, to not merely his friends and relatives but to people generally, he remained plain "Barney." At this time Henry had all he could do to keep his own head above water, and so Barney set up in business for himself in the same line, a kopje wallopper on a very small scale. One of his earliest partners was Louis Cohen, and for the thirteen months of their partnership they messed and slept together in one small

hut. Close and rare friends these two men remained through all the vicissitudes of fortune, until death separated them. Louis Cohen tells a good story how only a few years ago Barnato said to him:

"Lou, I will forgive you everything we have ever differed about, except one."

"What is that?"

"Why, when we slept in that hut, you used to pull our only blanket off me every night, and I was too much afraid of you to ever tell you of it."

The partners experienced very hard times together in the first year. The winter was an exceptionally severe season even for that altitude, and in a rough and ready mining camp the cost of living and the incidental expenses of business were of necessity very high. Both partners extended their previous acquaintance with the sustaining virtues and properties of mealie porridge, becoming expert cooks of it in the Kafir fashion, and exercising carefully every possible economy to improve their financial position. At the end of the year the elder brother found a place for Barney with himself, and the firm of "Barnato Brothers" had its first small beginning.

There is always a tendency to magnify the early struggles and beginnings of successful men, and already Barnato's early Kimberley history is surrounded by myths sufficient to justify antiquity. In this particular instance, Barnato himself is the author of many yarns put forward for the benefit of those who would not be content with the prosaic details of the daily lives of two young men struggling to gain a footing on the ladder leading to prosperity. From these he always derived much amusement, and currency was given to far more than his own fictions, by the equanimity with which he himself regarded any story however absurd, and never offered either contradiction or correction.

"Well, why shouldn't I?" he said. "A man who doesn't care twopence about me comes with a yarn and asks if it is

true. I say 'Oh, I suppose so, go and ask So-and-so, he will tell you what really occurred.' Now if I was to say there was not a word of truth in the whole story I should not be believed. I have had hundreds of men come to me for details of my career. If I told them the truth they wouldn't believe me, if I didn't tell 'em anything at all they would go off angry and try to write nasty things. So I let them talk, find out what they want to hear, and then tell it to them; and they believe it all and go away and say, what is, perhaps, the only absolutely true thing they will say, that I am not a bit ashamed of my origin, and never put on side. If you do not like it, tell me what else I can do better."

As a matter of fact, from 1874 till 1880, the brothers in partnership directed their whole energies to the accumulation of money to form a war chest for their future operations. Henry devoted himself to the diamond dealing branch of the business, and Barney to all the growing interests of the firm outside the office. It was practically day and night work, such as few constitutions could stand, and killed off hundreds of men who had escaped the camp fever and other attendant evils. All day keenly at work in the office or among the claims, all the evening and greater part of the night passing from one place of resort to another, from one bar to another, joining in every conversation and every drink, keeping thoroughly abreast of all that was going on. Pages of detail would fail to convey the effect of all this work and the changing position of Barney in the camp so well as the terms in which he was himself described. At first inquiries as to who he was were met by the reply:

"Oh, that is Harry Barnato's brother."

A few years later the reply to the same question was:

"That is Barney Barnato; Harry Barnato, the diamond expert, is his brother."

The practical result of this intense application to business was that in 1876 Barnato was enabled to buy his first claim

in the Kimberley mine, and to start in the business of diamond mining himself, instead of merely dealing.

The photograph reproduced on the opposite page was taken in Kimberley in 1875, and is, I believe, the earliest portrait of Barnato now in existence. The friend with him sitting on the chair is Mr. C. Moses.

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CHAPTER II

DIAMOND DEALERS AND DIGGERS

Diamond mining—Difficulties of the deeper levels—Why Barnato stayed—The very clever man—The Barnato Diamond Mining Company—Stewart's claims bought—Barnato's business reputation—Envy, hatred, malice, and all uncharitableness—Apparent indifference to slander—When Mylchreest went Home.

It is difficult for the present generation to grasp any idea of the picture of life presented by the Kimberley diamond mining industry at the time of Barnato's arrival on the Fields, that is, nearly five and twenty years ago. In appearance, for the first three years, the Fields resembled nothing so much as a number of gigantic tan-yards, where the tan-pits represented the excavated claims, and the spaces between each pit stood for the roadways and haulageways compelled by the mining regulations to be left. No man had any idea that the diamondiferous earth, the yellow ground that was then alone known, was anything more than a mere surface deposit; and it was expected that such a system of working in the style that the alluvial gold regions of Australia and California had rendered familiar would suffice. In due course depths of a hundred and fifty and two hundred feet were reached, water difficulties were encountered that were beyond the means of individual claim-holders to cope with, and the roadways began to cave in in such fashion that numbers of claims were left without any means of approach or egress. At each place where the yellow ground and consequently the diamonds were found, it was from the first noticed that the formation was

different from that of the surrounding country; and that the diamondiferous earth or deposit was in a kind of basin, with irregular but sharply defined edges. Over and above the pestilential "camp fever," and the disorders arising from improper food, exposure, unusual hardships, and the other incidents of a mining camp, the difficulties that confronted the diggers were: first, the caving in of the roadways from the unexpected depth of the workings; second, the water and drainage; third, the falling in of the rocky sides of the basin, or, as it was termed, the falling in of the reef. The first of these difficulties was beginning to be encountered when Barnato arrived on the Fields, and was overcome in the most natural manner by the claim-holders affected joining in partnerships, so that their series of claims should extend towards the edges of the basin at each mining area. The depths of the blocks of claims were then worked by stretching steel-wire hawsers from the bank to the bottom, and hauling miners and earth alike along these. Barnato's first purchase was a block of four claims in 1876, bought certainly to great advantage, and well situated for working. Then came the water difficulty, which was met by the action of the Mining Boards, who erected pumping gear and levied proportionate charges upon the individual and groups of claim-holders for the services rendered. By this time the diamond mines of which Kimberley, where Colesberg Kopje had once been, and De Beers were the chief, had already each become one vast hole, sections of which were worked in different interests; and the resounding twang of the tightly stretched wire hawsers, constantly vibrating under the swing and pressure of their loads, was a peculiar addition to the ordinary noises of the camp. Then, to the dismay of almost all men, the yellow ground gradually gave out, and revealed an under stratum of dense blue rock, varying in hardness but apparently of great thickness, and still limited laterally by the walls of the reef. It was now recognised by many of the closely observant diggers that the formation was volcanic, but examination of

the blue for some time revealed no diamonds, and the optimists were rapidly reduced in number. The water charges were increasing, and under the impression that the mines had given out, numbers of men sold, or if no purchaser was obtainable, abandoned their claims, and cleared out with what they had saved, afraid of losing all. Barnato held on, and moreover bought up and acquired all the interests he could; for he was convinced that the diamonds were still there, if the miners could only go deep enough. Of the reasons that led him to this conclusion he could never give a scientific explanation, but they were sufficient to himself. He said:

"The first diamonds discovered in South Africa were from the Vaal River. Of course, they did not grow there. As with gold, they were merely washings from some bank or had been brought from the surface of the land by floods. Then at Kimberley we had the diamonds in the yellow ground with the reef all round, in which there were no diamonds at all. To the many men of science and geologists who came round our claims, and wondered how the diamonds should have been deposited in such a formation, I had nothing to say, because it was to me evident from the first that the diamonds were never deposited at all, but had been forced up from below. We had in those days, so far as I remember, and I do not forget much, only one visitor among all the men of science who seemed to be able to take in what he saw, and that was Dr. Atherstone of Grahamstown, Cape Colony, a clever doctor and a man with eyes he could use. He declared that the Kimberley, De Beers, and other mines were old volcanoes, which had been formed under tremendous pressure at the bottom of a great deep sea, and that the diamonds had crystallised out under the pressure. I did not care for any of his theories; they were not in my line. But I did care that he should, as a careful observer, come to the same conclusion as I had, who knew every claim on the Fields and every turn of the reef—that the diamonds came from below through what was once a sort of tube in the earth.

Then, since I was certain that the diamonds came from below, it followed that there must be more lower down; if not in the blue, then on the other side of it. If, as Dr. Atherstone theorised, they were only formed under pressure; then at the lower depths, where the pressure must have been greater, the finds should be larger, richer, and of better quality than in the yellow ground we knew. So I determined to go on until it broke me. And I was right; it didn't break me. We soon found that the blue itself was the true home of the diamond. We found in it, as I expected, more and better diamonds than all the yellow contained, and even now that they are working in the Kimberley Rock Shaft at a depth of 1500 feet there is no sign of any change in the formation. I believe that those funnel vents of the old volcanoes go on for miles more than it is in the power of man to work. The age of the really big diamonds, surpassing such present famous specimens as the Koh-i-noor, has yet to come, when the new Rock Shaft shall reach levels many times deeper than the present."

How far these speculations, and hopes for special results of the mines in the future, may be realised it is impossible yet to say. Certainly the blue ground now worked is, on the average, much richer than the old yellow surface ground, but there has not so far been any marked increase in the average value of the blue per ton as the depth has increased.

However, when other men, daunted by the ever-increasing cost of mining and the apparent end of the diamondiferous earth, were clearing out as fast as they could; Barnato, led by his business instinct, which never seemed to fail, and by plain common-sense reasoning from facts he had himself observed, stayed on and profited. He tells a good story of this time which is not among his works of fiction:

"There was one man who, from the time I first began to know anything of the mines, I envied. He had some of the best placed claims in the Kimberley mine, and did splendidly

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until he got through the yellow and struck blue, the bed rock as most believed it to be. He was a clever man and sharp—perhaps some would call him 'sharper'—so he obliged a friend by finding a dumping ground in his claims for some worthless yellow, then sold for whatever he could get—four hundred pounds I think it was—and cleared before the expected storm could burst on his head. But those claims were among the first to prove that the blue was the true diamond ground, and he could not have bought them back for forty thousand pounds. The man is still living, and very poor after a life's hard work; but, oh! he was so clever and so sharp!

"What? You suppose that I bought those claims for the four hundred pounds? No, I am sorry to say I never had the chance; I knew that the blue had been reached there, and that yellow ground had been dumped in to cover up, and I wondered what was coming next. The acts of an able man can be foreseen when his surroundings are known, but who can fathom the folly of the fool? I would have given eight thousand pounds for those claims, and they went to a new comer for four hundred pounds!"

Year after year, by patient, unwearying, untiring industry, Barnato added interest to interest until, in 1881, he was one of the largest shareholders and was able to float his first company, "The Barnato Diamond Mining Company." This was the first step towards the afterwards accomplished amalgamation of all the mining interests in and about Kimberley in the one great company known as De Beers, which, by its most capable management and enormous resources, now has such far-reaching interests as to control effectually the diamond output of the whole world.

For the photograph of Barnato reproduced on the opposite page, I am indebted to Mr. Louis Cohen. It was taken at Kimberley in 1879 or 1880.

Barnato saw then very clearly that the day of the individual claim-holder on the Diamond Fields had passed for

ever, even when possessed of great resources and owning large blocks of claims. In spite of the proved value of the blue and the reasonable certainty of its continuance to vast depths, the cost of mining had increased beyond all expectation; at the same time that the large output, with claim-holders actually competing to effect sales, had so reduced the price of diamonds as to have considerably lowered the returns. With the ever increasing depth of the open workings the charges for pumping were becoming more and more onerous, and a new difficulty and source of expense had appeared in the shape of falls of reef. Even in 1881 some parts of the great hole of the Kimberley mine had reached over four hundred feet in depth, and from the width of the excavation it was impossible to shore up the sides of the basin effectually. This reef now began to fall in in ever-increasing quantities, and many a wealthy man has gone to bed at night secure in his prosperity, only to find in the morning that thousands of tons of reef had fallen on his claims; and that its removal would swallow up not only his profits but a large share of his capital before any further remunerative work at the covered-up blue could be undertaken. Certainly the Mining Board promptly undertook the work of clearing the reef, but the charges were very heavy; and it became evident that either the mine, with its boundless wealth, would have to be abandoned, or the system of open working would have to be changed for the shafts, drives and levels of ordinary underground mining. Therefore Barnato formed his first company and brought as many claims together in it as he could, to lessen the expenses of working individual blocks; and to avoid the reef dangers by substituting, as soon as possible, underground workings for the dangerous toiling at the bottom of the great hole. Shortly after this he had an opportunity of showing his faith in the permanence of the mine, and in his theory of the great central volcanic shaft containing blue. Six claims in the very centre of the Kimberley mine were owned by a man

named Stewart; and they were the very last claims in the mine still owned by an individual digger, all the rest having passed into the hands of a bewildering number of companies. According to Barnato's conviction of the origin of the mine, whoever held these claims held the very key and centre, and would control the whole. He, therefore, bought them over the heads of every one else for no less a sum than thirty thousand pounds a claim, a record price on the Fields, and that, too, in face of an apparently declining industry. It was a great stroke of business and fulfilled all his expectations, for it gave him the virtual control of all other properties and interests in the mine, and placed him in the position of chief negotiator with the De Beers group for the formation of the ultimate monopolist company. He bought for his money, however, much more than a valuable section of a diamondiferous crater situated directly over the great shaft of the long extinct volcano; he bought public confidence on behalf of the diamond mining industry, and he bought a pre-eminent and recognised position as an able financier for himself. The men who had left the Fields had not been slow to voice their conviction that not only were the palmy days of South African diamond mining over, but that it had ceased already to be profitable, hence their departure, and that such odd diamonds as might be hereafter found were what they had themselves dropped in their hurried sorting. The early scientific visitors were not the only men who could not read that which lay open before them; many diggers who had worked on the Fields from the first rush ridiculed all idea of the volcanic origin of the mines, declaring that they were simply great hollows into which diamonds had been washed in some not understood manner. All attempts made by Barnato and those who saw with him to restore public confidence in the future of the industry were violently, unscrupulously denounced, as the efforts of men who were deliberately lying, so that they might palm off on the investing public that which they knew to be absolutely

worthless. The purchase of the claims and the enormous price actually paid for them were made widely known in every detail, and were evidences not merely of faith but of conviction in the future wealth of the mine that was stronger than all the fiery and vehement denunciations of the disappointed ones. From the time of this purchase there was exhibited a gradual restoration of confidence by investors which was never afterwards withdrawn, and the reputations of both Kimberley and Barnato were definitely made.

A little more than a year ago a bitterly hostile financial press, and many other journals which for the time found there was good copy to be had in following the lead, were denouncing Barnato on practically the same charge as of old—that he had sold to the public properties and interests that were valueless; and a suggestion was made to him by a friend that he should once and for all deal with such criticisms by issuing a complete answering statement.

"No, I will not," he said; "I do my business my own way, and make my statements when I want them made. The time has not yet come. You forget that I have been all through this before. I think I see everything that the venom of disappointed men, the malice of enemies, and the ignorance of the rest can print about me. I tell you that all this is nothing to what was said of me in the old Kimberley days. I remember one morning then, my nephew tried to keep one paper containing a specially venomous paragraph from me, and I said, 'Show it to me, for if they say I have murdered my father and robbed my sister, there is nothing new in that, it has all been printed before!' Well, I lived all that down by going straight on my way and developing my business. Last year, if I had proposed a tunnel between the Bank and Johannesburg, the public would have rushed up the shares before ever pen was put on paper for details. I haven't lived the years since those Kimberley days for nothing. I know more now, and I still go straight on my own way."

In the early eighties Barnato was wholly averse to taking any share in politics, but he took a leading part in the local government of the Kimberley district, as a member of the District Council; and in this capacity, no less than in his dealings in the township and camp, he acquired the respect of English and Dutch alike as a straightforward plain-dealing but sharp man of business, who was indeed a hard nut to crack. This well-earned reputation was of the greatest value to him in his subsequent Transvaal dealings. During his earliest years on the Fields he had trafficked in not diamonds alone, but, as occasion served, in every description of goods and farm produce. Referring to this later on, he said:

"There is nothing this country (South Africa) produces that I have not traded in, from diamonds and gold right away through wool, feathers, and mealies, to garden vegetables. I have always found that I was as good a hand at buying and selling as most people I came across, and my experiences with the slimme * Dutch farmers on the Kimberley market were sometimes very queer; but they soon found that any man who tried on a game with me, or whose goods were not up to sample, had a bad day sooner or later. When this had been firmly fixed in their minds we became great friends, for there is nothing a Dutchman will respect you more for than to find that you are up to all his little cunning. I had their vote solid in consequence when I first stood for Kimberley in the Cape House of Assembly, and that was when I wanted every vote I could get. So strong was the opposition that I would have stood a better chance of being returned for any purely Dutch constituency in the colony than there. Ah, that was a fight!"

A mining camp is scarcely the place in which all the virtues would be expected to flourish, but the old Kimberley camp

* A Cape-Dutch word in general use in South Africa, signifying sly, cunning, with a propensity for cheating. The nearest English equivalent is perhaps "knavish."

was indeed a place where envy, hatred, malice and all uncharitableness reigned supreme. Of all the forms of readily negotiable wealth the diamond is the smallest and easiest to conceal and carry about, and at Kimberley this gem was and is found simply embedded in earth or rock, and requires only picking out. During the operations of blasting rock, digging, and carting the diamondiferous earth from the mine, the precious stones, sometimes glittering, sometimes dull and glassy in the rough, were frequently exposed; and it was a great temptation to the actual miners, and to all workmen, whether white or black, quietly to appropriate the wealth for themselves. The first few years from the discovery of the Fields showed clearly that without special effort no mining would be able to be done profitably at all, for it has been estimated that fully fifty per cent. of the finds were stolen. The stealing of diamonds became a special branch of industry, to which numbers of white men and coloured devoted themselves; and it is but fair to acknowledge that the black man was by far the most expert in the first operation of secreting the finds from the earth. As there were thieves there were necessarily receivers; and these, who bought the gems in the first instance, and conveyed them from the country and sold them, made huge profits. The crime was termed illicit diamond buying, and was generally shortened into I.D.B. To check this crime a special court and special police with inquisitorial powers was established; every diamond had to be described and registered from the date of the find until it left the country, every diamond dealer had to be licensed and have his books always in order for the inspection of the police, and for the slightest irregularity the punishments were, and still are, ferocious in their severity. The Diamond Trade Act did not kill I.D.B. but made it very risky to follow, professionally or casually.

When Barnato reached the Fields, I.D.B. was rampant, and so it continued for the next fifteen years until quite the end of the eighties. It has been already detailed how in 1876

Barnato with careful and excellent judgment bought his first four claims. They were in a very rich part of the crater, and the finds there were phenomenal, such as to attract universal attention. Here the envy, hatred, malice, and all uncharitableness were made manifest; for amongst those who had not gained wealth, and amongst those who had not been able to keep it when gained, the whisper went round that such continued richness was unnatural in claims. The next step was to account for the finds, and these, rumour said, were not legitimate; for the firm was engaged in I.D.B., and used the claims as a means whereby the illegal purchases of stolen stones could be placed on the market and sold. Of course no one ever stated this in so many words, or the quick and summary processes of the criminal courts would have been invoked by the Barnatos for the punishment of the vile slanderers; but it was rumoured and rumoured from Kimberley to Cape Town and thence to London. When Barnato first contested Kimberley at the 1888 general elections for the House of Assembly, a formal and complete answer was given once and for all to the rumoured charge, and his opponents protested, "Oh, why answer all that, it was only camp gossip, and we knew there was no truth in it." He ever carried a smiling front to the world. Whether good or evil was said of him, he appeared always the same pleasant-spoken, laughing Barney, ready for chaff and a drink with any one; nor is it probable that at that time he ever admitted the vicious innuendoes hurt him. But after the struggle of those early times was over, when even years had passed since his justification, he did once at any rate acknowledge how sorely he was wounded.

"How many times in the years from '76 till '88 I have felt inclined, almost determined, to quit Kimberley and South Africa for ever. I was making a pile and gathering power; but I had enough to live on, and should have been free from those never-ceasing rumours because of my good fortune. No one knew, or ever can know, how hard I worked for it all.

If I have made millions I have worked for them as few men ever can have worked. But how I have been blackguarded by men who could neither gain nor work! Men do not often tell all the truth when they are going Home in triumph and the champagne has been flowing freely at farewell banquets, but no truer words have ever been spoken than when Joe Mylchreest cleared with his pile in 1888. He said: 'Though times have changed, and now the sun is shining for me, yet I cannot but recall the cruel days, when from a certain clique of my fellow citizens every form of slander and insinuation was heaped upon me. They compassed me round about and laid snares for me. Men of the Diamond Fields, you can never know the bitterness they caused me. And why? Because, as my friend C. J. Rhodes stated the other day, I had, by energy, integrity, and perseverance, done better than my neighbours and paid my way. I was successful and becoming rich, and so they cried, "Down with him!"'

"There," said Barnato, folding up again the paper from which he had read the extract, "that exactly expresses my own feelings at that time and for years before. I keep that paper carefully, and look at it now and then. I had more abuse than ever Mylchreest had, and for a longer time, but I never showed that I felt it; and I determined never to give in, but to face it out. I knew that if I only stayed long enough I should get justice. So I stayed and faced it out, and fought that Kimberley election as no election has ever been fought in South Africa before, and came in at the head of the poll. And then no dog barked. D'ye understand? D'ye follow me?"

CHAPTER III

TWO KINGS OF DIAMONDS

The pursuit of wealth—Diamond mining by companies—Amalgamation necessary—Barnato and Rhodes—Their different objects—Business *v.* Business and Imperialism—The all-night sitting—Objections of shareholders—The Chief Justice gives judgment

The year 1881 marked the commencement of a new and very important era in Barnato's career. He had left school at fourteen years of age to assist his father in his business of a general dealer. At twenty-one he had arrived in Kimberley with a little over £50 to see what he could do for himself. He pursued the business of a general dealer still, inasmuch as he bought and sold anything he could turn over, but with his brother he concerned himself chiefly with the diamond trade, and soon confined his attention to it. In 1876, being then worth about £3000, he bought his first claims in the Kimberley mine, and his purchases soon brought in a steady income averaging £1800 a week. In 1880 he visited England, and established the firm of Barnato Brothers as a London firm of diamond dealers and financiers. At the end of the year he returned to Kimberley and floated his claims in the Kimberley mine into his first company, under the title of the "Barnato Diamond Mining Company," for £115,000. Hitherto he had dealt in diamonds; henceforth he was, so far as his Kimberley career was concerned, to deal also in the claims whence the diamonds were derived. Of this Barnato Company it need only now be said that it paid regular dividends of 9 per cent. each three months, 36 per cent. per

annum, until it fell into financial difficulties through heavy falls of reef; then Barnato extricated it from its troubles by a loan of the needed money, and the shareholders had ultimately a very handsome return on further amalgamation. In the same year, 1881, taking advantage of a booming market, Barnato floated several other companies, and was most successful. While he was thus engaged with properties in the Kimberley mine, another man who was to loom largely in Kimberley affairs, and who was to play his part on a far wider stage than that, also made his first venture in company promoting in the De Beers mine, some three miles distant; for Cecil John Rhodes floated the first De Beers Diamond Mining Company in the same year. De Beers mine was, like Kimberley, the filled-up crater of a long-extinct volcano; and Rhodes, beginning exactly as Barnato did, first bought a few carefully selected claims, and then at the proper time, in a rising market, floated them into a limited company. So far as the difficulties of mining went, the one mine was an exact counterpart of the other, and all the working difficulties and reef dangers, which convinced Barnato that the Kimberley mine was no longer a place for the individual claim-owner, operated with Rhodes. Both men knew every foot of ground, every trend of reef in their respective scenes of operation; both were firmly convinced that the diamonds came from below, and would be found richer in the greater depths; and each looked forward to the amalgamation of the companies and interests surrounding him as the only practical means of reducing the cost and risks of mining. From 1881 the history of the one man is the history of the other, for they were advancing on converging lines, which were as yet so wide apart that they seemed to be parallel.

Nothing is more certain than that neither Rhodes nor Barnato had any idea then that they would be brought into direct opposition. The idea was that Rhodes should achieve the control of the De Beers mine, Barnato of the Kimberley mine, and that then they should jointly, without further

amalgamation, control the diamond output and trade. Of the two, Rhodes was much the smaller man financially; his claims in the De Beers mine were much poorer and more unfavourably placed than were Barnato's, and the De Beers Mining Company, which he formed, was in the beginning a much smaller corporation than the Barnato Diamond Mining Company. Further, while Rhodes was mainly concerned at that time with the De Beers mine alone, Barnato having always steadily in view his constant policy of acquiring controlling interests in every undertaking that recommended itself to his judgment, purchased very largely of the shares of the De Beers Central and the Oriental Companies. These were the two principal diamond mining companies in the De Beers mine, having their claims most favourably situated in the centre of the mine; while their ground so hedged in the claims of the De Beers Mining Company that this venture had either to absorb them, or be absorbed, before its area of speculation could be extended. Rhodes worked for amalgamation, and he found a ready helper in Barnato; in fact, without Barnato's hearty agreement in the principle and objects of amalgamating the companies in the De Beers mine, Rhodes would have been stayed at the commencement of his career. With Barnato's acquiescence, Rhodes amalgamated his own company, first with the De Beers Central, then with the Oriental and, finally, still under the name of the De Beers Mining Company, constructed a company which practically worked the whole of the De Beers mine.

Barnato, on his part, pursued an equally active and similar policy in the Kimberley mine, with the advantage that his own first company's claims were some of the richest and best placed in the mine. He sedulously extended his interests in the other companies in the mine, engaging in this all the resources that his firm possessed, until he succeeded in amalgamating with the Standard Company, bought Stewart's claims, and then joined forces with the Kimberley Central. There was,

however, still remaining in the Kimberley mine, and unabsorbed, the French Diamond Mining Company, holding a very important section of the mine and with its shares largely held and controlled from Paris.

At this point the position of these two chiefs of the Kimberley Diamond mining industry was therefore that Rhodes had succeeded in amalgamating the various companies in the De Beers mine into one company, with the old title of the De Beers Mining Company; while Barnato had brought into the Kimberley Central Company every claim in the Kimberley mine except those owned by the French Company; and even in that he had a considerable though not a supreme interest. They had then achieved their immediate objects, for each man had acquired controlling interests in his own part of the Diamond Fields. It was evident to both that the next thing to be done was for Barnato to acquire and absorb the French Company, and then they could themselves join forces in reality, though each was to keep his own mine distinct from the other.

From this time these two men saw clearly that their courses were not even apparently parallel, but were clearly converging to a point beyond which they must either travel together in union or one must be left. It did not seem likely that there would be any difficulties in the way of travelling together; so far their objects had been the same, and they had been frankly and cordially in sympathy; but when they came together to agree upon their future course, and to sketch the outline of the desired great company, serious differences of opinion arose.

With Barnato, be it remembered, the whole matter was purely one of business, and with no thought beyond securing the most certain and permanent profit possible for his shareholders. At the Kimberley mine there were some twenty different shafts, with a number of companies all working on their own account with varying methods; while some were still working in the open, and determined to con-

tinue doing so. He saw that with the whole mine under one management the expenses would be so reduced that a larger profit would accrue from a much smaller output; therefore, that if the whole of the mines in the Kimberley district were under the same management, the cost of working and establishment charges would not only be reduced to a minimum, but the output of diamonds might be so controlled that the price could be regulated by taking care that the supply never exceeded the demand. In some cases, diamonds had been sold, owing to the keen competition between sellers previously adverted to, at as low as 10s. a carat; whereas, under the best management in the most favourably situated parts of the mines, the cost of production exceeded 15s. a carat. To lessen cost and to control price was Barnato's sole object.

With Rhodes, on the other hand, all this was merely a means to an end. He desired to do all that Barnato had in view, but when this great, powerful monopolist company had been created, he desired to use that, and a portion of its enormous reserve wealth for the purpose of extending the British Empire over the vast fertile districts and auriferous lands to the north; where the conquering Matabele had dispossessed the unwarlike tribes, and was maintaining a savage despotism. There had been a rush for the partitioning of Africa. Rhodes had by his energy and personal influence succeeded in retaining for Cape Colony the option over Bechuanaland, as the only road to the North for any possible expansion and extension; and to render the future expansion possible, he had determined that he would secure the great wealthy monopolist company for his "jumping-off place." He used the phrase himself then, and it passed unnoticed; for to the people of the Homeland, Kimberley was merely a town that produced diamonds, situated in what was otherwise a poor and struggling part of the unheeded colonial empire.

Barnato was not by any means deficient in pride of his

British birth and citizenship. In the cosmopolitan population of the Diamond Fields he gloried in his birthright. Later on, in the Transvaal, he declared that under no circumstances would he ever become a burgher of the Republic, or ask for a franchise that would mean forswearing his allegiance as a British subject and an Englishman. He could not, however, see eye to eye with Rhodes that the business of Kimberley should be made possibly subservient to a policy of empire extension. He would make as much as possible out of the amalgamation, when it came, for himself and the shareholders in the companies who had had confidence in him and followed his lead; and whatever he himself made as his own share he would devote to the extension of his business or to any object he thought proper. Why was this full liberty of personal action, the right to do with his own as he chose, not sufficient for Rhodes? Why should he insist on so drafting the trust deed of the amalgamated company they both desired, as to enable the company's funds to be applied, not merely for purposes of business, but for the furtherance of patriotic sentiment?

If the opening up and government of territories, with all that it entailed, came in the way of business, it could always be arranged for and a new departure made for the purpose; but Barnato was clearly and definitely of opinion that it was a bad precedent, and bad in principle, to make provision for all this in the trust deed of a company whose first and, he considered, sole object of existence was the production of diamonds and the control of the diamond markets of the world. There was no personal antagonism in this, and which man was in the right is not for this generation, possibly not for several generations yet to come, to say.

The first hostile movement in the Barnato-Rhodes war was made by Rhodes. Barnato had proposed terms for the amalgamation of the French Company with the Kimberley Central Company, which held all the rest of the Kimberley mine; when Rhodes, after a visit to Europe, during which he en-

listed considerable financial support, suddenly put forward a scheme whereby the control of the French Company was to pass to himself. Many meetings were called of the shareholders of the Company, for the purpose of pressing the acceptance of Rhodes's proposal upon them; but at all it was made evident that Barnato, though not actually dominating the French Company, was able to exert sufficient influence to ensure the rejection of any scheme of which he did not approve. Then Rhodes and Barnato each tried to increase their influence in the Company by buying all the shares that came on the market, and in this operation the advantage proved to be with Rhodes; for while all the shares that he commanded or bought were retained, many of the shareholders who were Barnato's pledged supporters found themselves unable to resist the temptation of the high price to which the shares rose in consequence of the competition, and basely sold to the enemy. Barnato, in short, found that he was being betrayed by his own soldiers, and that he was competing with Rhodes for shares that his own adherents had sold.

As Rhodes had commenced the war, so he commenced negotiations for peace. With characteristic impetuosity he came himself to Barnato, and representing that it was of no use for them to continue a fight which was merely a benefit to traitors, offered Barnato a cheque for a very large sum if he would withdraw his objection to the proposals for acquiring control of the French Company. Rhodes has often told the story himself, when servile flatterers and persons ignorant of the facts have talked and written of his easy victories over Barnato. The reply to this offer was made by Barnato in these words:

"No. If I could see that your scheme would be for the benefit of the shareholders in the French Company, I would never have objected to it. As a matter of fact, the Central Company offered better terms than you do, and I cannot accept your offer."

"Well," said Rhodes, "if you will withdraw your opposi-

tion I will give you a cheque to cover all that you think you lose by allowing my offer to pass."

"No; that won't do. It would put me all right, but what about the shareholders in the French Company who have confided their interests to me?"

At length, after much negotiation, a compromise was arrived at, by which the French Company passed into the Central, and Rhodes acquired a large interest in that Company.

The fight for supremacy thus commenced and continued. Barnato took up a defensive position and bought up every share and interest in the Kimberley mine that he could, so that all power should be in the hollow of his hand. Rhodes, with the powerful, practically inexhaustible financial support of the historic house of the Rothschilds, assumed the offensive, and endeavoured to buy further interests in the Kimberley mine, so as to turn Barnato's flank. This was a case in which the advantages did not rest with the defensive; for while the whole weight of the attack was under one control, and all the shares that Rhodes could buy were fast held,—all the rest were presumably against him,—the defence, though led by Barnato, had in detail again to be left to individual shareholders, who it was conceivable might be bought out by considerations of present profit. This proved to be the case. Each month Barnato found the siege becoming more and more severe, and that the enemy was steadily gaining ground. At last Rhodes directed his whole force on the great company of the mine, the Kimberley Central; and then, when the market price of the shares had become considerably inflated by the competition between agents of the opposing camps, Barnato found again that some of his most trusted supporters, men pledged to aid him in opposing Rhodes in the amalgamation of the two mines, had considered the price offered too tempting to resist, and had betrayed their trust by selling shares to the enemy. At that time, too, there were large interests, not only in the Kimberley mine, but in

other mines in the district, held by other nationalities, prominent amongst whom were French financiers; and it became evident that there was a desire on the part of some to take advantage of the conflict, to obtain a control that should dominate both Rhodes and Barnato, and possibly oppose South African interests entirely. J. X. Merriman had already tried his 'prentice hand at this work, so disloyal not only to the colony in whose Legislature he sat, but to the Homeland to which his allegiance belonged; another enemy might come, was perhaps already there, who was neither 'prentice nor financial charlatan. A conference of the leaders was called. All one morning, afternoon, evening, and night, Rhodes, Alfred Beit, Woolf Joel, and Barnato sat discussing the terms on which the fight was to be ended; and peace with amalgamation, and a united front against all enemies, secured. At last, at four in the morning, a compromise was arrived at. Barnato demanded that the great amalgamated company should be under the control of life governors, of whom he should himself be one, to guard against the adoption of any unwise policy under the powers he distrusted. This was agreed to, and then, addressing Rhodes, he said:

"Some people have a fancy for one thing, some for another. You want the means to go North, if possible, and I suppose we must give it to you."

Rhodes at once became a large holder in Kimberley mine shares, and Barnato acquired further large interests in De Beers; and after these pledges of peace had been exchanged, it only remained to complete the details of amalgamation.

At the eighth annual meeting of the "De Beers Diamond Mining Company, Limited" (De Beers Consolidated Mines had not then been established), held at Kimberley on May 12, 1888, Rhodes was in the chair; and Barnato, for the first time present as a principal shareholder, moved the vote of thanks to the chairman and directors for past services in the following terms:

"Before the meeting breaks up I should like to say a few words concerning the chairman and the directors and their past services. I am not very bright in eulogising any one, perhaps criticism is more in my line; but, after the various remarks, and the cutting notes received from various journals in England as to the position of our industry, it behoves us to pass an extra vote of confidence in the directors, and of thanks to Mr. Rhodes for services rendered to the De Beers Mining Company. . . . . No person knows better than myself the labour that Mr. Rhodes has had to convert me to the De Beers Mining Company. I may say that day after day and night after night Mr. Rhodes has been working to get me to take De Beers shares for Centrals. I gave way when I saw diamonds down to 18s. a carat, for I then saw no alternative but to consolidate the interests of the companies, and on those terms I came in. Another condition I made a *sine quâ non*. I have devoted a lifetime to furthering the interests of the diamond mining industry; and with the interests I hold in these mines, amounting now to nearly two millions of money, I should be a fool indeed to allow my interests to drift into the hands of any particular body of men. One never knows what may happen, especially what may happen here in Kimberley; and if this property should get into the hands of a London or any other syndicate, they might knock it about as they liked. Therefore I determined to protect my own interests by acting as a life governor. . . . . It has, moreover, been arranged that the life governors shall keep an interest of not less than a million of money in the company. . . . . If ever there was a safeguard in any company, the holdings of the life governors are a guarantee to the shareholders that their property will be carefully and judiciously managed."

The proposal to create life governors was subjected to very keen criticism, wholly on the ground of the possibly large remuneration they would receive, although it was expressly stipulated by Barnato that the life governors should not

receive anything until the ordinary shareholders had been paid a dividend of 30 per cent. Ultimately his proposal was so far modified as regards remuneration that the life governors were to receive nothing until the shareholders had been paid 36 per cent. dividends; but he carried the principle for which he contended.

It was characteristic of Kimberley, as then constituted, that no sooner had Barnato been induced by defections from his own camp to make terms, than he was violently assailed by a certain small section of the shareholders for, as they termed it, betraying their interests. It was a small thing then, merely a question of the terms on which the dissentients were to be bought out; and when this had been settled finally to every one's satisfaction, and the amalgamation of all interests had been completed in every detail, it was forgotten that there had ever been a difference. I revive the story now solely because the events of the years that have since passed have thrown Barnato's chief ground of objection into relief; and the action incidentally elicited an expression of opinion from the highest legal authority of the Cape Colony, which showed that the wide powers of the De Beers Consolidated Mines were thoroughly understood there, although no one in England cared or troubled about them.

At a special meeting of the Kimberley Central Diamond Mining Company, Woolf Joel being in the chair, and Barnato also present, called to confirm the scheme for amalgamation with De Beers, a very small minority of the shareholders objected. The objection was overruled by the chairman on the ground that more than three-quarters of the shareholders were in favour of the amalgamation, and under the trust deed of the company a majority of not less than three-quarters of the total voting power of the company had power to carry through an amalgamation with any similar company. There was no pretence of any high considerations of principle about the opposition of the minority. They objected to the amalgamation terms, as they had a perfect right to object,

because they thought they were not getting enough for their valuable property. They next decided to contest the ruling of the chair, and they sought an interdict against the amalgamation, on the ground that the De Beers Consolidated Mines was not a "similar" company, owing to the wide terms of its trust deed.

The case came before the Supreme Court of the Cape Colony on Monday, August 20, 1888, when it was contended for the amalgamation that the De Beers Consolidated Mines was a similar company to the Central, inasmuch as the primary object of both companies was diamond mining. In the course of the case J. Rose Innes, counsel for the dissentient shareholders, was reading from the De Beers trust deed the objects of the company in support of his argument that it was not a similar company to the Central, when Mr. Justice Smith said: "It would be far shorter to tell us what the company may not do."

Mr. Innes: "They can do anything and everything, my lord. I suppose, since the time of the East India Company, no company has had such power as this. They are not confined to Africa, and they are even authorised to take steps for the good government of any territory; so that, if they obtain a Charter in accordance with their trust deed from the Secretary of State, they would be empowered to annex a portion of territory in Central Africa, raise and maintain a standing army, and undertake warlike operations. Yet it is said that this company is formed for the same purposes as the Central Company, which digs for diamonds in the Kimberley mine."

The Chief Justice, in delivering judgment, said: "The applicants in this case seek to prevent the carrying out of certain resolutions arrived at by a majority of the shareholders of the Central Diamond Mining Company, at a special meeting, convened for the purpose on August 7, 1888, with reference to the amalgamation of that company with the De Beers Consolidated Mines." Having read the resolution,

his lordship, continuing, said: "The applicants are shareholders in the Central Company, and they now seek to interdict the carrying out of the agreement of amalgamation, on the ground that such agreement is *ultra vires* of the powers of the company; and the question to be decided by the Court is, what construction is to be put upon the 83rd article of association of the Kimberley Central Diamond Mining Company. That article provides that 'a full board of directors may at any time, upon such terms as they shall see fit, provisionally entertain proposals to amalgamate the company with any other company, or partnership of persons established for the same or similar purposes; and the directors may make proposals for that purpose provisionally, and such proposals shall, when definitely arranged, be submitted to a special general meeting, to be convened for that purpose; and such special general meeting shall have the power to take into consideration any such proposals, and to conclude any final agreement or arrangement for such transfer, amalgamation, sale, or alienation, and to authorise the directors to carry the same into effect.'" The lengthy remainder of the clause was to the effect that dissentient shareholders could demand to be paid out the full value of their shares, as decided by an arbitrator. The Chief Justice, continuing, said: "Now the Attorney-General has argued that the question as to the same or similar objects of the two companies is of no importance, inasmuch as any shareholder who considers himself prejudiced by the amalgamation has simply to raise his objections, in order to be paid out at the rate at which his shares are valued; but in my opinion, as I have already pointed out, it is a matter of the greatest importance to the shareholders that the amalgamation shall be with a company established for the same, or similar purposes. Because, if it is competent for the Central Company to amalgamate with any company, whatever its objects, and whatever its financial position, shareholders might be seriously prejudiced. The value of the shares must

necessarily be affected by the public credit of the company with which it is proposed to amalgamate. It is not alleged in the present case that the De Beers Consolidated Mines is not a company with the very best credit in the world; but the Court has not to look to one single case, but rather to give a construction to this 83rd section, which will be applicable to other cases of a like character. It is quite clear that the shareholders would be grievously prejudiced by amalgamation with any company in bad credit, and that the value of their shares would be seriously affected thereby. The 81st section of the articles of association provides that, 'It shall be lawful for the shareholders, at any time, to put an end to, and to dissolve the said company by resolution passed at a special general meeting convened for that purpose, provided that at such meeting such resolution shall be agreed to by three-fourths of the votes of the entire number of registered shareholders.' It is not, however, contended that the dissolution in the present case was to take place under the 81st section at all. If it had to take place under that section, every shareholder would have security that at all events he would receive such value for his shares as would be ascertained by a public sale of the assets of the company. But no such security exists where only amalgamation is proposed. In my opinion, it is quite clear that the Central Company had no right, in opposition to the wishes of any shareholder, to amalgamate with a company that was not established for the same or similar purposes as the Central Company. The question to be now determined is, whether the De Beers Consolidated Mines is such a similar company or not. I have looked into the trust deed of the De Beers Consolidated Mines, and I am satisfied that it is not a company for the same or similar purposes as the Central. It is quite true that one of the purposes for which the De Beers Company was established is diamond mining, but that forms an insignificant portion of the powers which may be exercised by the company. The company can

undertake financial arrangements for foreign Governments, and may carry on diamond mining, coal mining, or gold mining in any part of the world. It can carry on banking in Africa or elsewhere, and can become a water company in this colony or elsewhere. In point of fact, it is of public note that an Act has been passed this session empowering the De Beers Company to also perform the duties of a water company. The powers of the company are as extensive as those of any company that has ever existed. The question now is whether any shareholder can be bound against his will to become a partner in such a company. The terms of the agreement are that shares in the De Beers Consolidated Mines are to be given for shares in the Central Company; but if the public has no confidence in a company with such large powers the value of the Central shares will depreciate in the market. Under all these circumstances, I think that, however high the reputation of the De Beers Consolidated Mines may be, if a dissentient shareholder believes that the arrangement will be to his prejudice, he is entitled to come to the Court for an interdict to prevent this amalgamation from being carried out. At the same time, this is a matter of vast importance to all concerned, and it is not usual to grant a perpetual interdict upon motion supported by affidavit. An opportunity must be given to the other parties to give evidence, if necessary, before a perpetual interdict is granted. The Court will now only grant an interdict as prayed for, but will order the applicants to bring their action during next term to have the interdict made perpetual. At the present time there is sufficient *primâ facie* ground to justify the Court in granting the application with costs."

As I have stated above, the only point of interest in this law case of nine years ago is that the dissentient shareholders based their objection to the amalgamation on the very ground that Barnato had done, viz., that all these extra powers were foreign to the business of the company; and they gained the day, preventing the amalgamation from

being accomplished as at first intended and arranged. It was ultimately carried through by placing the Central Company in liquidation, when the De Beers bought all its property and assets.

The *Lantern* commemorated the great amalgamation by the cartoon reproduced on the opposite page, Rhodes and Barnato furnishing the heads for the Kimberley Janus, at the door of the temple of the mining industry.

The cartoon, with two others in this memoir from the same source, bears the signature of W. H. Schröder, a journalist who for many years illustrated the progress of South African affairs, and whose sudden death two years ago was a loss to South Africa. The *Lantern* itself ceased to be published in, I think, 1889, and its proprietor and editor died soon afterwards.

FROM THE *LANTERN*, CAPETOWN

CHAPTER IV

TWO KINGS OF DIAMONDS—(*continued*)

Amalgamation practically completed—Barnato's great speech—
The *Financial News* in testimony—A "master of finance"

In the preceding chapter the amalgamation of the Kimberley Diamond Mining Companies and the causes that led up to it, so far as Barnato was concerned, have been very fully dealt with. The time for the first annual meeting of the new great company duly arrived, and the address to be then delivered on the report of the first year's working was anxiously awaited, not only by shareholders both in South Africa and England, but by the financial world. In the unexpected absence of C. J. Rhodes, who had gone to England, Barnato was called upon to preside, and it was undoubtedly one of the great occasions of his life. Yet he stayed out his first session of Parliament to the end, and then, after a few days at Sea Point, Capetown's seaside suburb, he came up to Kimberley for the meeting, with only two days for the study of the voluminous reports and statements of accounts, and for preparation. But at the meeting he was quite ready, and to a critical gathering, many of whom were still a little sore at the success of the amalgamation, he delivered the following address, speaking easily to the end without effort and almost without notes :—

"There is not much for me to expatiate on, because the reports which you have just heard read give you a clear and explicit account of the past year's working of the Company.

But still I think it will be necessary for me briefly to refer to the past history, the present condition and the future prospects of the Company, in order that you may be made acquainted with all that has been done, with what we are doing, and with what we propose to do. In moving the adoption of this report I am proud to say that I am placed in a somewhat similar position to the Treasurer-General of the Colony, who, in placing his annual budget before Parliament a few weeks ago, had the extreme gratification of announcing a grand surplus of £406,000. Having a larger amount than that in the shape of a profit, I feel that my task in presiding over you to-day is an easy one. Our profit on the past year amounts to £448,000, and it must be satisfactory to the shareholders to learn that the whole of this very large sum, with the exception of about £85,000, was made out of the De Beers mine alone. I regret very much the absence of Mr. Rhodes, who is unavoidably delayed in England on business connected with the Company, and as this report was only placed in my hands a couple of days ago owing to my having been in Capetown until quite recently, if I am not able to deal with it in the manner it deserves, that must be my reason for claiming your indulgence. As you will remember, the De Beers Consolidated Mines, Limited, was established on March 13, 1888, the nominal capital then being £100,000, with power to increase it. We then brought forward a scheme to amalgamate with the De Beers Mining Company, and proceedings were forthwith instituted which were carried into effect at the meeting held on March 31, 1888. Arrangements were then made for raising debentures amounting to two and a quarter millions, the purpose to which this sum was to be devoted being the purchase of various properties and the liquidation of debts. Previous to the raising of this loan I think the De Beers mine had a debt of something like half a million, and a further debt was contracted by the purchase of the French Company. I want you to bear in mind that this debt did not accumulate as

the result of the working of the Company, but because of the purchase of other properties, which purchases were considered necessary in the best interests of shareholders, and which could not be made without increasing our capital. We then, as many of you know, purchased for a portion of the debt incurred a very large portion of Central shares in the Kimberley mine. The object of that, as you are aware, was to obtain a predominant influence over that property, as there was a difficulty in bringing about a unification of interests. On August 7 a resolution was passed at the meeting of the Kimberley Central Company, to amalgamate the two mines. The resolution was passed by an overwhelming majority, but there were legal difficulties which threw a certain gloom over our interests at the time, and from which it has taken us some time to recover. But I am not going to refer at any great length to those difficulties, except to say that I think the dissentients are more than satisfied. In consequence of the judgment of the Supreme Court, it was necessary to liquidate the Kimberley Central Company, and on January 29, 1889, a resolution was carried, placing the Company in liquidation. There was, I believe, at that meeting a majority of shares held by the De Beers Consolidated, representing £1,660,930, in shares at par value, and the total capital of the Central Company was £1,779,650, thus showing there was only a very small minority, and I am proud to say to-day that we have satisfied that minority, and we are now in possession of the whole of the Kimberley mine. In the course of liquidation, the Kimberley mine had to be tendered for, and as the De Beers was the highest tender, it was accepted, and we have the entire control of the Kimberley mine, the cost of that mine to us being about £5,300,000. For the purchase of those shares and other interests we borrowed the $2\frac{1}{4}$ millions of money. In addition to that we own a paramount interest in the Griqualand West Company, and since Mr. Rhodes has been in England he has obtained a predominant interest in the Anglo-African Company; we

have a lease of the Bultfontein Consolidated, we have purchased the South African Company for £120,000. Then we have acquired Krauss Bros.' property for £36,500, and I am proud to say that negotiations are going on to-day with the Bultfontein Mining Company to settle the purchase price of that property by arbitration. I can therefore safely predict that within a very short space of time the whole of Bultfontein mine will belong to the De Beers Consolidated Mines, Limited.

"Now, as far as Dutoitspan mine is concerned, we have got half that mine, in the shape of the Griqualand West property. The acquisition of the Anglo-African is a pure matter of time, which Nature will place in our hands, as soon as those gigantic and inevitable falls of reef take place, which will force them to accept our terms. It will be a matter of impossibility for them to pay, but to this part of the subject I shall refer later on. Now, gentlemen, having told you something of the past history of the Company, I think you will see that, everything considered, our existence, though very short up to the present, cannot fail to be highly satisfactory to the shareholders. Briefly summed up, we own the De Beers and Kimberley mines and the predominating interests in the Bultfontein and Dutoitspan mines. Now, gentlemen, with your permission I will refer to the various items in the report and balance-sheet, which shows a profit of £448,905 14s. 6d. In dealing with the balance-sheet it must be remembered that there are certain items included in it which are not likely to occur again. In the first instance there is £6006 13s. 7d., the cost of the Oriental air shaft, which has been written off; then there is another item of £3167 19s. 3d. for the escape shaft, and £7009 2s. 9d. for the construction of mechanical haulage and bridges. There is also another item on commission account amounting to £9861 10s. 2d. Another item is that for raising the debenture loan. That might have been put on the debentures, but we preferred to show it as it stands, the amount being £121,390 10s., as well as £3000 for the transfer of

the French Company's claims, and £3172 14s. 11d. for the transfer of the De Beers Company's property to the De Beers Consolidated Mines. Then there is £3411 15s. 7d. for stamps, and the item of £5865 8s. 9d. expenses incurred in getting the De Beers Water Supply Bill passed, which has resulted in a considerable profit to the Company. Lastly, there is £13,032 caused by the liquidation of the De Beers Mining Company, and the total of these items amounts to £175,915 15s. All these items have been considered as expenditure, but they were mostly incidental to the amalgamation, and it is unnecessary for me to say that we shall not incur similar liabilities in the future. There will be no liquidation expenses, no transfers to pass, no Water Bill, and no French Company, and I think, under all the circumstances, considering that we have paid all these liabilities, and have worked the De Beers mine alone, that it is highly gratifying to find that we have made a handsome profit of nearly £450,000. I should not omit to mention that under charges there is an item of £20,042 7s. 4d. interest and discount, and there is a further item for shafts burnt £11,753 15s. 8d., and £6940 19s. for expenses in connection with the fire, and about £10,000 which was contributed towards the Relief Fund, all of which are duly set forth in the financial report. And here, gentlemen, let me briefly refer to that terrible catastrophe, by which so many poor fellows lost their lives, and which I am sure we all remember with the deepest regret. I feel I must pay a tribute of respect to the brave men who worked and risked their lives on behalf of those poor fellows who perished in the disaster. I remember on that melancholy occasion, an occasion which will never be effaced from my memory and from the memories of many who lived in Kimberley at the time—I remember seeing our respected and able manager, Mr. Gardner Williams, a gentleman to whom no person can attach the least blame, working night and day doing all he possibly could for the relief of the entombed men and using his utmost endeavours to quench the fire. That calamity

was an act of God, or at least we must conclude so, for the very day of the lamentable occurrence there was an accident in No. 2 shaft, which blocked it up to some extent, and the Gem escape shaft gave way only a week previously. I therefore think that calamity was an act of God, and I hope a similar disaster will never again be witnessed in Kimberley. I wish, I say, to pay a tribute of respect and admiration, not only to Mr. Williams, who worked all night, but to the brave men who went down the mine to save their fellow-workmen. On that dreadful night, when the shaft was burning, these men courageously risked their lives, with the full knowledge that millions and millions of loads of reef were hanging over them; but they were bravely determined to open up a shaft so that their fellow workmen might escape from the Gem. We all remember the result of those labours; we do not forget that, as the outcome of such noble efforts, out of 700 poor souls buried 500 escaped. I have therefore no doubt that all the shareholders will join heartily with me in making this acknowledgment of the splendid services rendered by Mr. Williams and the workmen serving under him on that melancholy and memorable occasion.

I have made reference to these particulars, not in order to speak of the financial loss, but to allude in all sympathy to the deplorable loss of life. So much for that part of the question. You remember, gentlemen, the state the mine was in after that calamity, and that a considerable expenditure of money was necessitated thereby. It took us something like three months to get into proper working order. Although the loss is only put down at £30,000, it must be remembered that we lost the produce of the three months' work, something like a quarter of a million sterling. Now, gentlemen, I desire to call your attention to another item; at the end of this financial year the stock of blue ground on De Beers floors was 476,400 loads, being an increase during the year, in spite of all the troubles we had to face, of 173,000 loads of blue. Since March 30 we have increased our stock by 130,000 loads, and I may say it is

increasing daily, so that we have 606,400 loads of blue on the De Beers floors alone, which cannot be otherwise than satisfactory to the shareholders. We have a further stock of blue on the Kimberley floors, as we have now taken over that mine, of 180,000 loads, which is also daily increasing, making a total of 786,000 loads on the floors of Kimberley and De Beers Mines, representing in value, after deducting washing expenses, &c., no less a sum than £1,375,000, while in addition we have, I believe, nearly 100,000 lumps at the estimated value of £35,000. I think, gentlemen, taking these facts into consideration, and remembering all the difficulties we have had to encounter during the past year, our future is a very bright and pleasant one indeed. I may further call your attention to a statement made by our manager in his report, respecting the importance of accumulating blue on the floors. Of course you know that by allowing the blue to remain on the floors for some time it becomes pulverised by a natural process. There is thus a great saving in labour, and a saving in diamonds also, as the Kafirs have not an opportunity of going over the ground and handling it. It is therefore the object of the Directors to have as much blue accumulated on the floors as possible, and I believe that within a year we shall have a million and a half or two million loads laid out on the floors belonging to the two mines. Taking the price of diamonds to be 25s., although at present it is 30s. per carat, that quantity at one and a third carat to the load will give us nearly four millions of money, which will furnish us with a substantial sinking fund. There is a sum I have not yet referred to, and that is in regard to the Kimberley Mine. We have only received £85,435 on our investment in that mine, because the Central Company was paying off its Mining Board debt and other liabilities out of the money which otherwise would have come to the De Beers Consolidated, who held sixteen-seventeenths of the shares, but this is not likely to occur again. We have paid off the Kimberley Mine debt to the Mining Board amounting to £77,000, and after meeting all these liabilities

we are in the proud position of declaring a dividend of 10 per cent.

"Gentlemen, having referred briefly to these items in the report, I may now mention that we have put down more permanent shafts. There is, I should say in passing, a sum of £25,000 left in the hands of the Kimberley Central Company which will accrue to the De Beers Consolidated Mines, Limited, and another amount to which I might allude. The Directors, although we were making very big profits, have always been mindful of economy, and they thought that a good amount might be saved out of their yearly water account. The Government came to their assistance and passed the Water Bill, which I will show you by returns has effected a very substantial saving. We consumed in Kimberley mine for the Central Company during the twelve months ended March 31 last 25,196,800 gallons, at a cost of £10,646 17s. De Beers mine consumed 32,571,800 gallons, at a cost of £13,311 9s. 5d. In the two mines, roughly speaking, we consumed 57½ million gallons of water at a cost of £24,000. The saving on that item, the difference in the price being one shilling as compared with eightpence per 100 gallons, is a sum of £8000 per annum. I think the Directors, seeing that the Government came to their assistance in this matter, worked in the best interests of the shareholders.

"Having thus dealt with the past history of the Company, I may lay before you one or two of my opinions with respect to the future, and I hope when I have finished you will not consider me too sanguine. As I have said, when we borrowed this money a gloom prevailed so far as the share market was concerned, and right over the entire trade. For a certain time there was a great want of confidence. Of course some attributed it to Mr. Rhodes's speech, but I think that what he said on that occasion was, if anything, too truthful. It was, no doubt, unpalatable to some, but every word he said on that occasion is coming true daily. What he said, if I remember rightly, was, 'Give me two

years.' He might have made one or two statements that were not very complimentary to the outside mines; yet only fifteen months have passed, and day by day you see that the result is furnishing substantial proof of Mr. Rhodes's statements. I remember in reading a report of Sir Henry Barkly's speech at the ninth annual meeting of the Anglo-African Company, that he said the Dutoitspan mine has 390,000 loads of reef. I think he must have made a mistake of a nought there; he must have meant 3,900,000 loads, for that is about the actual figure. He also said, according to a telegram sent by the manager, Mr. Davis Allen, they were in the happy position of having scarcely any reef at all in the Anglo-African Company, and that the Orion Company had all the reef. Well, I am not going to throw any mud, as some of it invariably sticks, but foreign shareholders may be led away by such announcements made by so eminent a person as Sir Henry Barkly. If he were at the foot or the edge of the mine he would scarcely be so anxious to make such a statement. It may be said, 'If that is the case, why do you buy into our mine?' Later on I will give you my reason why Mr. Rhodes bought in; his object being consolidation, and to obtain control of the Diamond industry. As some of you will remember, so far back as 1879, when Sir Charles Warren was Administrator of Griqualand West, a report was sent in to him by Mr. Kitto, a very eminent engineer, on the Kimberley and De Beers mines. The industry was then, comparatively speaking, in its infancy, and Mr. Kitto in that report said the future generation need not bother themselves about the permanency of the De Beers and Kimberley mines. Now, knowing, as Mr. Rhodes has said from time to time, that we have an unknown quantity of blue, I would wish to call your attention to Mr. Gardner Williams's remarks in his report, that he has in sight in two levels alone in De Beers mine six million loads of blue. We have also in the Kimberley mine a similar amount, so that in two levels only we have a total of twelve million loads of blue ground. Now, gentlemen, I won't go beyond these twelve

million loads, although we know we can go down as many thousand as we have gone down hundreds of feet. Taking it at one and one-third carat per load, it represents sixteen million carats of diamonds, over which we have absolute control. There are a few outside interests which are scarcely worth consideration. Yes, I say again, scarcely worth consideration. Well, it is our intention not to sell diamonds under 30s., and I am proud to say we have scarcely any diamonds on hand, and the demand is increasing with the supply. But, even taking the price at 25s., we have, with these sixteen millions of carats, no less than twenty millions of money in sight. Therefore, knowing, as Mr. Rhodes did, that it was absolutely necessary to get control of the outside mines, the only question was whether he was justified in allowing these mines to stand at the inflated value at which they were estimated by the side of two such mines as De Beers and Kimberley? Gentlemen, we hold a very large interest in Dutoitspan mine, and irrespective of this Company I hold a very large personal interest, but for all that I will give you my candid opinion as to the future of Dutoitspan. There are not many shareholders present in Dutoitspan, and it does not make any difference—all the harm's done now. I believe this, that Dutoitspan mine to-day is practically closed, so far as open working is concerned. That may be reckoned a bold assertion. There may be a few claims uncovered, such as the Orion and one or two others.

"It has been maintained that if diamonds remain at 30s. a carat, Dutoitspan and Bultfontein mines can be worked by the underground system. Well, I think I can clearly show that they will not be payable on the underground system: they will never be able to pay. I do not make this statement for the benefit of shareholders here, because I know they are acquainted with the circumstances and the facts; but I make it in order that it can go forth to the world, and to the foreign shareholders, so that they may know the true position and the future prospects of Dutoitspan and Bult-

fontein mines. I will give you some figures to prove my contention; I will not give you a hurricane of them, a few will be quite sufficient. For instance, Dutoitspan averages to-day about 6s. or 7s. per load. Considering that they have worked for something like seventeen years in the open, and hardly one Company has been able to pay a dividend, I do not see how they will be able to pay a dividend by the more expensive plan of working underground. I do not want to pick out any individual company. There may have been one or two small companies that have paid small dividends; the Griqualand West, for example, owing, as was once before said, to the marvellous financial ability of Mr. C. E. Nind, managed to produce a dividend. And I noticed from the last annual report the Anglo-African Company, which has been in existence under the able management of Sir Henry Barkly for nine years, paid 3s. per share, which gives 4d. a share on every £10 for their nine years of existence. Considering that is all they have done in the open, I do not know what they will do underground. All the other companies are in the same bad way—they have all, more or less, debentures on them. At the same time, it is well known that those mines have just managed to keep their heads above water, and I should like to know how they are going to exist, working with the underground system. I think I can prove to you, gentlemen, that in order to work the underground system you must have the mine intact. You all remember the trouble and friction that took place when the De Beers mine was being worked by the De Beers Company, the Victoria, the Oriental, the Gem, and others. Why was the underground system not a success in their case? Because one company was working against another; that is to say, if one company was on the 500 feet level and another on the 450 feet level, the opposing companies could go and eat into each other's boundary walls and pillars, to such a dangerous extent that the entire mine was in a condition which threatened collapse at any moment.

"That, practically, was the state of affairs before the mine was consolidated. It was the same thing in Kimberley mine; there were the Central, the French, and the Standard shafts—all these companies had interests which were diametrically opposed to each other. What was the result? Each company pulled its own way, the French Company's shaft did not last, and it was only when the mine was consolidated as one holding that the underground system proved effective and profitable. But in Dutoitspan what do we find? We have eight distinct companies, the predominating concern being the De Beers Consolidated Mines, Limited. We have also the Compagnie Générale and the Anglo-African, besides others. All these are different interests and undertakings, and if we go on working each undertaking separately, on the underground system, there must be at least eight different shafts round the Dutoitspan mine, and eight outlets, meaning sixteen shafts round the mine. There would necessarily be a lot of friction between the various companies. How can they exist? This might not have been brought to your notice before, but it has been patent and clear to me for years that the underground system in these two mines, with the various conflicting interests, cannot be carried out with success. Of course I shall be pleased to answer any question put by a shareholder in reference to this matter, so that he may be fully acquainted with the actual position of affairs. Even provided there was an attempt made by one or two of these outside companies with whom we cannot agree, to work on the underground system themselves, it would be impracticable for them to go on. I think the arrangements made by Mr. Rhodes with the Bultfontein Consolidated Company and the terms offered to the Griqualand West Company are such as will secure to the shareholders better advantages than they have received before. Gentlemen, it is not our object to harass or coerce these companies so long as we can arrange with them on fair and reasonable terms. I must admit I was not very anxious, personally, to pay the prices demanded

by the outside companies, and to lose on them. But Mr. Rhodes wanted to carry out his scheme. His projects as regards amalgamation have been a success in the past, and I do not think his ideas in the same direction will be a failure in the future; and I am satisfied that all his plans have been conceived and are being carried out in the interests of this Company. Gentlemen, I mean, relative to Dutoitspan and Bultfontein, that, even setting aside the difficulties I have pointed out with reference to the underground working, and even if diamonds retain their present price, the blue ground in them won't realise more than 6s. or 7s. per load. Considering that, having the control of the two mines De Beers and Kimberley, we cannot work under 10s., I do not see how Dutoitspan mine is going to pay on the underground system, if it only averages 6s. or 7s. I predict that their existence is very short. Mr. Rhodes gave them two years; at the end of that time they may be in a position to raise more money on debentures, but they will never pay; the money will only be squandered, and the only way by which the shareholders in them can reap any benefit must be by accepting the terms offered by the De Beers Consolidated Mines. Of course, as I have already remarked, it may be said: 'Why do you want to buy them in; they are useless if they are only fit to stew in their own gravy, as the term goes?' The answer to that is very plain. When Mr. Rhodes purchased an interest in Dutoitspan Mine, he was afraid at the time that some foreign element might come in and amalgamate the Dutoitspan claims, and refloat in London. Dutoitspan having been a very important producing factor, European investors would very likely have responded to the invitation to refloat on an amalgamating basis, and consequently we could not have had control of the industry. Therefore, if a couple of hundred thousand pounds were sacrificed to lease those companies, I can prove that the sacrifice was a very small one, compared with the advantages we shall derive from having them under our control. I am confident that, having secured so predominant a share in that mine, the other com-

panies not yet in with us will only be too anxious to come within the fold, so that in time to come we may be sure of having sole possession. I may also say that, in the event of our having the absolute control of the Dutoitspan Mine—which we have now, more or less, with the exception of the Compagnie Générale and the Central Doornfontein—it is not our intention to close the mine; our only object is to control the diamond industry. I am anxious to impress this upon you, gentlemen, that it is not the intention of the amalgamators to close the mine. It is necessary that I should make this announcement, because it has been said from time to time publicly that our object is to close Dutoitspan Mine. As I said on the platform during the late Parliamentary election, even if it were our wish to close the mine, the Government would not sanction it, as so many thousands of people are kept employed by the industry, and the licences due to the London and South African Exploration Company amount to so large a sum that it would not pay to close the mine. Well, I think I have said enough about Dutoitspan.

"The same arguments do not quite apply to Bultfontein, and I will give you the reason. There are now practically only two mining undertakings in that mine, the Bultfontein Mining Company and the Bultfontein Consolidated, which virtually belongs to the De Beers Consolidated Mines, Limited; we have it on perpetual lease and we have made arrangements to purchase the other property on arbitration by reputable and experienced gentlemen who will soon be on the spot. Furthermore, the Bultfontein Mine yields a different class of diamond, as compared with Dutoitspan stuff. Then again Dutoitspan gives one-sixth of a carat to the load, while Bultfontein yields at the rate of one-third of a carat. Under these circumstances Bultfontein might just manage, provided diamonds retain their present price of 30s. per carat, to go on paying working expenses, but beyond that they will pay nothing, in addition to which they have the reef difficulty continually hanging over them—hundreds

and thousands of loads threaten to cover up that mine, and its life is bound to be of short duration.

"Let me, gentlemen, now refer to the diamond trade. I think I have shown you that, as far as the stability of our mines is concerned, the present generation need have no fear; but the industry naturally depends upon the diamond trade, and unless we have a market for the diamonds all the mines in the world would be useless. Until within quite recent years no official returns of diamond production were kept, but I may say generally that from 1873 to about 1880 the production was from a million to a million and a half carats. I do not believe that in 1876 the diamond production was two millions of carats. I am uncertain about the production for the period prior to 1876, but from that year to 1880 I am pretty certain about, as I was a very important factor in the diamond trade during that time. Coming to 1883, when official returns began to be kept, we find that the quantity produced in that year was 2,319,234 carats, of a valuation of £2,359,466, averaging 20s. 4¾d. per carat, so that the demand for diamonds in that year was about two millions. In 1884, the production was 2,264,786 carats, of a valuation of £2,562,623, the average being 23s. 2¾d. per carat. In 1885 the diamonds produced amounted to 2,287,261 carats, of the value of £2,228,678, the average being 19s. 5¾d. per carat. In 1886 the production reached the figure of 3,047,639¾ carats, of the value of £3,261,574, the average being 21s. 6d. This was a large increase, and I mention it to point out that, although the production was largely augmented, the price also rose, and the demand increased in proportion. In 1887, 3,646,889 carats of diamonds were produced, the valuation being £4,033,582, and the average price 22s. 1½d. In 1888 the production was 3,565,780¾ carats, of the value of £3,608,217, the total for the last two years being 7,641,799 carats, and the average being about 21s. 6d. per carat. The average for the last two years was within £200,000 of four millions. These, gentlemen, were the prices diamonds were realising before the unification, these

were the prices diamonds were fetching when there were two or three hundred different interests, when the mines were in the hands of individuals and small companies that were compelled to put their diamonds on the market, and were forced to sell under circumstances not at all advantageous; because from time to time, as many of you remember, these small companies were in debt to a great extent, and the diamond buyers naturally took advantage of the situation and bought diamonds as they chose. Just upon four millions was the production in 1888, and the price was over 20s. per carat, and, unless I am mistaken, that was the year that the fight was going on between the Kimberley and De Beers Mines, with what result we all know. Diamonds were being produced wholesale and thrown upon the market, and yet, after all these conflicting interests had been working against each other, the average for diamonds was some 20s. per carat. Now, gentlemen, I desire clearly to point out the advantages of unification; for if we produced four million carats in the past, what are we going to do in the future, when we have absolute control of the mines? Since the Kimberley Mine has become the property of the De Beers Consolidated Mines what have we done? Instead of producing an unlimited number of carats we have produced a lesser quantity and received the same amount of money for them; that will allow for the increase of blue on our floors. You see our diamonds to-day, since we have had absolute control of the De Beers and Kimberley Mines, have realised 27s. 6d. per carat from April to June, and this month our diamonds have fetched 30s. per carat. I may tell you that it is not the intention of the Directors to raise the price of diamonds beyond 30s., as we are making now a very handsome profit of about 66 per cent. on our working, if we estimate the cost of production at 10s. per carat.

"Now, gentlemen, there is another very important factor connected with this question of amalgamation, which relates to what I may term the diamond department. I should not now refer to this were I not perfectly well aware that a

feeling prevails in the market that the diamond trade is to be carried to the other side of the water. Let me take advantage of this opportunity to place this statement before the public: that, as far as I am personally concerned, I shall do all in my power to retain the local diamond market. I think that it is easy to prove that it will be a very great advantage to our industry and the Mining Companies if the market is kept here, for if the market had been driven to the other side of the water we should not have been able to show you the results we have. My reasons for saying I should prefer to keep the local market here are many. In the first place, although there may not be many buyers here, yet those in the trade are always prepared to spend from £25,000 to £30,000 on diamonds. Suppose there are from fifteen to twenty buyers, and supposing that every week they purchase £50,000 worth of diamonds: well, they have to ship these consignments, and, irrespective of cables instructing them to buy or withhold from buying, we have thus, what with the three weeks' voyage home and before account sales reach Kimberley, at least £300,000 or £400,000 continuously on the water. Then again, if our local buyers have large stocks of diamonds on hand, it is their policy not to see the market go down, and they keep their diamonds until they receive what they call a *quid pro quo;* they do not part with them unless they can get a reasonable profit. I believe the local trade has proved very remunerative, not only to the buyers but to this Company; and, indeed, unless we had these local diamond buyers, I scarcely think the price would be what it is at present. I am against the shipping of diamonds direct, because, according to my own experience, and it must be the experience of all diamond buyers, it is not advantageous. If we refer back to the time when the various companies—the Central, the Standard, and the French—shipped their diamonds, what was the result? I know it, because I was in London at the time. The Hollanders, knowing that these Companies had such large quantities of diamonds on hand, said to each other, 'Oh, we are in no hurry to take them;

we'll wait to buy at our own price.' They thus formed a little ring amongst themselves. There was bound to be a serious loss over transactions carried out under such circumstances when the companies could not help themselves. But to-day the conditions of the trade are different. Now we practically make our own valuations. We have a certain number of local buyers here. They did not come out here to look at each other and do nothing, so that if Diamond Companies won't sell at a certain price, they have to pay the higher figure, the ultimate result being good for the industry and the trade. I am convinced that it is to our mutual advantage to have a local diamond trade here, especially if it be carried on according to the good old maxim—'Live and let live.' The diamond trade without a doubt is the lungs of our existence, and I say so speaking from experience which extends over the last seventeen years, during which period I believe I have bought as many diamonds as any other local diamond buyer in the trade. Now it has been said that the Company intend to ship one-third of their diamonds, but that is not the case. All that the Directors on the other side of the water did was this: they suggested that, in the event of a bad market, it would be advisable to ship only one-third rather than force the market here. But the Directors on this side, after mature consideration, came to the conclusion that it would not be politic to adopt such a course. Why? Because they thought that, if one-third of the diamonds were shipped, local buyers would not be able to compete with the Company, and they would thus be driven out of the trade, as it is not likely that local men would purchase diamonds when they knew that all the time the Company were receiving consignments at Home enabling them to undersell. I do not say this would be done, but it might occur. Consequently there is a feeling throughout the whole of the trade that it would be detrimental to the diamond market interest if the Company made any consignments; and I can tell you positively, with the approval and

sanction of my co-Directors, that it is not our intention to ship diamonds at present.

"Now, gentlemen, I will not detain you much longer, but I just want to show you what I think of the future, and when I put this statement to the world, I think the shareholders will go out with smiling faces. Gentlemen, last year, when I met you, I asked you to confirm a loan of 2¼ millions sterling although the picture was not very bright—our shares were standing at £13—and a gloom was spread over the whole diamond industry, but I said, 'Wait.' As I have already said, Mr. Rhodes appealed to you in March of last year to give him two years, and I am convinced that, if his hands had not been tied—if pressure had not been brought to bear upon him by some shareholders—every word he uttered at that meeting, held on March 31 of last year, would have been fulfilled. Let me refer you to what I myself said last year. I said that, although a dark cloud was hanging over us, and De Beers shares were only at £13, yet those who could afford to wait would see at least 40 per cent. No doubt pressure was brought to bear upon many shareholders by the banks, but as regards others who could afford to wait, my words are being fulfilled, for although we only declare a 10 per cent. dividend this half-year, we have made more than 40 per cent., when you bear in mind the liabilities we have met, the expenditure we have incurred in connection with amalgamation, and the enormous increase of blue ground on our floors. Taking all these items into consideration, and supposing we had not required to provide for them, we could easily have declared a dividend at the rate of 40 per cent., and almost entirely out of the De Beers mine.

"Now, gentlemen, once again as regards the future. I do not want any of you to go outside, and in a fit of madness buy up shares at any cost, simply on the strength of my statements. At the same time I tell you what my honest belief is: unless some crisis occurs, I am positively convinced that between this period and the next two years every holder in De Beers will be able to reckon his shares at double their

present price. When I show you my figures I think you will agree with me that there is some reason for my statement. The capital of the two mines, Kimberley and De Beers, three-quarters of Dutoitspan mine, and the whole of Bultfontein mine, when we arrange with the Bultfontein Company, is £3,950,000. You will ask how is it done when you have paid $5\frac{1}{4}$ millions for the Kimberley Central alone? I will show you, gentlemen. I do not say it was my brain that did it, but it was the brain of a man who is quite equal to hold the reins of office of the Chancellor of the Exchequer of England. The debentures we have amount to $2\frac{1}{4}$ millions, which enabled us to make certain important purchases of mining property. We have to pay on this money borrowed £120,000 per annum. Some financiers might have felt justified in making our capital to commence with six millions, but I think you would sooner see the capital of the company at £3,950,000, at the ordinary rate of interest, $5\frac{1}{2}$ per cent. Mr. Rhodes went home to England in order to make arrangements for the debentures. I am certain it would have been a very great pleasure to him to have been present at this meeting, for he has devoted all his energies to the De Beers Consolidated Mines. At the meeting last year he said he thought his task was finished when he had made De Beers mine one, but another task was set before him: that was the purchase of Kimberley mine. Other enterprises soon presented themselves, and now, in the short space of fifteen months, you might say we have obtained absolute control of the whole diamond industry. I find leasing the different properties will cost us £200,000 per annum, but from this item we have to deduct a very large sum, because the largest portion of the companies to be leased belong to the De Beers Consolidated Mines, and, therefore, the major portion of the £200,000 will come back to us. Now, gentlemen, taking the capital at £3,900,000, let us, for argument sake, say we only pull $2\frac{1}{2}$ million loads per annum, producing an average of one and one-third carats per load, that will represent a total of 3,333,000 carats, at, say, 25s. per carat, although the price

has been lately 30s. At 25s. per carat we have a total valuation of £4,200,000, and the demand is equal to the supply. In my humble opinion, in a few years hence, when we have absolute control of the industry, and the world knows we intend only to supply according to the demand, we shall be able to make the price anything we like. The diamond is a luxury; if you wish to buy, it makes very little difference whether you pay £100 or £150; it depends more on the price at which the seller deems fit to sell. We shall have the whole of the trade in our hands, but it is not the intention of the Company to raise the price above 30s. Now, according to our manager's report, the ground is being worked at a cost of 9s. 10½d. per load, but let us say the cost is 10s. per load; and supposing we have from one to two millions of blue on the floors, we shall in the course of time be able to work it for 8s. or 7s. 6d. Still, working, say, 2½ million loads of blue at 10s. per load, the extreme cost, means a total of £1,250,000, added to which will be interest on loan and lease of other properties, £320,000, making in all £1,570,000, leaving a profit of £2,630,000 per annum; that is, a net profit of 60 per cent., allowing the price of diamonds to be only 25s., and the cost of working 10s., although I do not expect it will be ever more than 6s. or 7s. The shares would then be worth about £70. Mr. Rhodes's figures were based on this calculation without a doubt, and when we have entire control of the industry I am convinced we shall be able to show profits such as I have mentioned. When Mr. Rhodes made his statement, it was not necessary to make these announcements, because, had they been made to the world, it is doubtful whether he would have been successful in his plan of operations. When he made the capital £3,900,000, it was a marvellous piece of financing—although some of the papers in England called it 'Kafir finance' and the Company now has only a debt upon it of 2¼ millions. This money, I may tell you, was raised in a manner similar to the Cape loan, which was obtained at 5 per cent.; our debt is spread over fifteen years at 5½ per cent., the loan having been negotiated

through the house of Rothschild, thus showing the confidence those great financiers have in the stability and permanence of the diamond industry. You will remember that all kinds of rumours were abroad as to the probable capital of the Company with these new amalgamations, but Mr. Rhodes only desired to keep the capital as small as possible. Some schemers might have come out with a capital of thirty or forty millions, and a grand boom might have been inaugurated, for the London public were anxious to get diamond shares; so that, had the whole diamond industry been converted into pound shares, they would have gone to a premium at once. But all Mr. Rhodes's negotiations were carried out with the object of keeping the capital as low as possible, and when he contracted this debt I believe you will think with me that it was a very profitable undertaking for the Company. The capital of the De Beers mine before its consolidation was £2,009,000. The capital of the Central Company was £1,779,650; that is, after they had bought the French Company. De Beers at that time was selling at £40, which brought up the capital to £8,036,000. The capital, as I have said, of the Kimberley mine, was £1,779,650, and the £10 shares of that company were selling at £50 each, which brought it up to £8,898,250, making the total selling capital for the two mines £17,934,250. The capital of the Dutoitspan Mine, approximately, was £3,500,000, and of Bultfontein £2,000,000 nominal, making in the gross for the four mines £23,434,250. Yet to-day our Company stands with a nominal capital of £3,950,000, and we have almost the entire and absolute control of the industry in all four mines at an annual charge, as I have shown you, of about £320,000 per annum, of which amount we receive back a large proportion on account of our enormous interest in Dutoitspan and Bultfontein mines.

"Gentlemen, I think you will see the importance of laying these figures before you; and, taking all the conditions and circumstances into consideration, I am confident that in at the most two years' time we will show profits amounting to

between 50 and 60 per cent.; if the demand for diamonds increases, it will be more. There is little more left for me to say except to thank you for your attendance. This being the first annual meeting of the De Beers Consolidated Mines, I thought it necessary to place before you the future policy of the Company, especially as we have now the absolute control of our industry. I think we can congratulate ourselves on the present position and on our prospects. I think also that the Company can congratulate itself on having men at the head of the different departments well worthy to represent and conduct such an important industry as ours. We need only refer first to Mr. Gardner Williams, the general manager of De Beers and Kimberley mines. Not only has he shown himself an able, energetic, and efficient manager, but quite worthy also to occupy the onerous position he fills. I may also state that he has brought in foreign influence into the Company, and really I believe Mr. Williams devotes the whole of his life to this Company, because he has such belief in it. The underground manager of the Kimberley mine, Mr. McHardy, has also worked very hard, as also has Mr. McLelland, the engineer of that mine, both of them having spent several years in the service of the Kimberley Central Company. Further, there are the men who are working under the management, who are more or less deserving of the thanks of the shareholders for the manner in which they have worked for the best interests of the Company. There is one other gentleman whom I should like to refer to, and that is Mr. Lionel Phillips, of the Bultfontein Consolidated Company. What he has done for the De Beers Consolidated deserves our thanks. I must also give a tribute of praise to our Secretary, Mr. Craven, who has fulfilled his arduous and exceedingly responsible duties to our satisfaction. Then there is the diamond department, and I can only say that the way that department is carried on under the control of Messrs. R. E. Wallace and Bawden reflects the highest credit on these gentlemen, and I can assure you the shareholders have no cause for complaint. These two able valuators have had

something like fifteen years' experience; they both value separately; their valuations are placed in sealed envelopes, which are referred to the Directors, who have had great experience in the diamond trade. And when an offer is made for the diamonds, it is left to them whether they accept the offer or not. Taking the Company as a whole, I think we have the best departmental staff in this country, or even in the world; we have also one of the greatest industries the world has ever seen or is ever likely to see. I will now conclude, gentlemen, by once more thanking you for your attendance, and moving the adoption of the report, balance-sheet and profit-and-loss account."

This speech had a great and immediate effect on Barnato's position in the financial world. Hitherto, in spite of his various companies, the position his firm held in the City, and his most recent parliamentary successes, recognition that he was anything more than an ordinary moneyed man, who had been particularly successful in diamond mining, had been most tardy. Henceforth he was admittedly a financial power to be reckoned with. The *Financial News*, in its issue of August 13, 1889, marked the change of opinion in a most significant manner, and better or more impartial evidence could not be found. It is only necessary to make one quotation from a lengthy notice of the meeting:

"Mr. B. I. Barnato, the chairman on this occasion, is well known as the founder of a firm of diamond merchants and dealers in stock, which has recently assumed importance on account of its immense wealth. Although the Hon. Cecil Rhodes, who is at present conducting negotiations on behalf of these mines, has been credited with being the chief mover in all that has been done hitherto in the carrying out of the amalgamation, yet it is well known here that behind Mr. Rhodes was a greater power, who controlled his movements, and from whose fertile brain emanated most of the ideas which were finally adopted and carried out by the

founders of the amalgamated company. Mr. Rhodes has hitherto been *facile princeps* as the expounder of the policy of the Company, because of the modesty of the other, who preferred to remain in the background in deference to the superior culture of his leader. But the absence of the chief gave Mr. Barnato the opportunity, which was all that was required, to establish his reputation in the eyes of the world as a master of finance. . . . . These figures might in the hands of an ordinary man have had no significance, but, handled as they were by Mr. Barnato, they at once assumed an importance and a charm which only men of grand imaginations and conceptions can give them."

CHAPTER V

BARNATO AT BAY

The Kimberley election, November 1888—Why Barnato became a candidate—The bitter opposition—Rhodes in eulogy—Barnato's first election speech—The grilling of J. X. Merriman—Barnato refuses to buy press support.

This year of 1888 was the very busiest year out of a life in which no one year was even partially one of leisure. No sooner was the great and final amalgamation of the hitherto opposing interests of Rhodes and Barnato practically accomplished, than the general election for the Cape Colony House of Assembly had to be dealt with. The town with its suburbs had at this time certainly a population of over 60,000, but of these less than 4000 were on the register as voters. Four members of the House of Assembly were to be elected, and each voter had four votes if he chose to use them, but only one vote could be given to one candidate. There were prior to the election operations only two associations representing the electorate. One, the Miners' Union, was an association of the Diamond Mining Companies, which in consequence of the amalgamation had resolved itself practically into a representative of the De Beers Consolidated Mines alone; the other was the Licensed Victuallers' Association of the usual trade type. There was, however, in Kimberley at that time, as there is in Johannesburg to-day, a very strong feeling amongst the commercial classes, that the representatives of the Mining Industry were determined not only to control the mines but the whole course of trade,

and that they would attempt this not only by becoming their own importers, but by initiating legislation. It had been pointed out that during the last session of the Legislature, De Beers had secured the passing of an Act virtually expropriating the Waterworks Company in spite of great opposition, and that this policy would be pursued until every warehouse and shop in the town had been closed, and every employee of the monopolist Company had been forced to live in quarters rented from his employers. Then the town would be utterly ruined and only the Company would remain to draw all profits from both mining and shopkeeping. This furnished good ground for a very pretty election fight in the middle of November, but there was nothing at the middle of September to show that the contest would demand any unusual energy. Then came an announcement that Barnato was to be put forward as a candidate from the mining interest. He had been an excellent member of the Divisional Council in 1880, and had demonstrated his ability for public business as well as for his private affairs; while at a previous election, seven years before, he had been asked to become a candidate and had refused. Six other candidates were known to be in the field, but not one of them was apparently worth any fuss. Whatever else might be charged against Barnato, he was not and never could be a nonentity; his enemies in particular fully recognised that he would be a living and particularly active force for good or evil, according to individual ideas. Some members of the mercantile community undoubtedly believed that he would do harm to the town, if elected, because his great mining interests would incline him to consider the Mines alone; and a few of these agreed to form a Citizens' Political Association, with the sole object of opposing him and securing the election of a quartet which, whoever else it included, should not include him. The C. P. A. had not been in existence forty-eight hours before it was captured as an excellent weapon by the avowed and secret enemies of

Barnato, by all whom in the fifteen years of his Kimberley life he had offended, crushed, or scorned. He had prided himself on being a good hater, on being hard to beat; he should now find, they determined, that others had memories, and he should be driven from the contest with ignominy. The C. P. A. secured the support of one of Kimberley's two daily newspapers and delivered its first blow, which it hoped would be also final and crushing, by a leading article therein, under date of September 27. The candidature of Barnato was therein denounced on the grounds:

"That he is not a fit and proper person to represent this constituency in Parliament, that his return will be detrimental to the mining interest and to the general interests of the place, and that, for the credit and welfare of the Diamond Fields, the electors should exercise the franchise with judgment and independence, and not be led away by talk about the influence of wealth or identity of interest, for wealth when divorced from honour, and identity of interest when synonymous with a strict and exclusive regard for mere personal and private interest, constitute no claim to public confidence," &c.

With this, too, were hints that there were many skeletons in the Barnato closet which it would not be well to raise up, and that he would consult his own interests best by precipitately retiring from the contest; for the people of Kimberley knew him too well, and would have none of him. The result of this unscrupulous attack and innuendo was exactly the opposite of that hoped for, and yet it might have been confidently expected of the man if those who hated and attacked him had ever comprehended his character. He had been nominated by the Miners' Union as a candidate, and had been adopted by the Licensed Victuallers' Association, but he was himself very strongly averse to entering the Legislature at all, and thus drifting from business which he did understand to politics which he confessed he did not. It is very possible that had the character of this opposition been

different he would have withdrawn before the day of election, or directly another really strong mining candidate had been secured; but he who knew everything that was done and said, almost everything that was thought in Kimberley, saw in this, in the very character of the opposition, the great chance he had been waiting for for years, to try conclusions once for all with his personal detractors. So long as innuendoes and whisperings had been indulged in he had never in all the years been able to find a peg whereon to hang a libel charge. Surely his enemies, after so auspicious a beginning, would, during the heat of an election, commit some indiscretion, formulate some charge, on which he could impale them. There was no longer on his part any thought of withdrawal; he accepted the requisitions, issued his manifesto, and rushed into the fight; having first given a definite pledge that he would proceed in actions for criminal libel in every case in which he was advised that he had legal ground of action. The election was only nine years ago, but the whole circumstances of Kimberley have so changed in that period that Barnato's manifesto possesses but few points of interest now, and those will be gathered from the speeches quoted.

The first meeting of the election at which Barnato was concerned was called specially to inform the employees of the De Beers Mining Company of the position of affairs. The chair was taken by C. J. Rhodes, and it is the only meeting at which he was present; but on this occasion he spoke at great length, first of all reviewing the position of the Company and its objects, and then introducing Barnato as the nominee of the Miners' Union. He said:

"In reference to Mr. Barnato there has been a great and organised opposition in the camp, and I shall put to you the case clearly and distinctly from our point of view as Directors of your Company. Mr. Barnato has been accused of being devoid of honour. Various other terms have been applied to him, and he has been subjected to intense and great ill-feeling. . . . Our policy has been to keep the Company in

South Africa with a Colonial directorate, and the Directors are unanimous on that point. Mr. Barnato has supported me earnestly in that. But people say, 'Oh yes, you have got Mr. Barnato under your thumb and make him do just as you like.' Now I conceal nothing, and I say that the gentleman to whom we refer owns no less than one-tenth of the De Beers and Kimberley mine, and he is supporting me on all the points I have mentioned. But I go a great deal further, and I hope you will not disagree with the next point I am going to make, and it is the following: that if he is good enough to be a co-director with me, he is good enough to represent us in Parliament, holding as he does one-tenth of the mines."

At one of Barnato's meetings a plain answer was given to some of the rumours industriously circulated by his unscrupulous opponents.

Mr. McHardy said: "Although I am an old inhabitant of these Fields I have never spoken at a public meeting before, and so you must make allowances for me. I should not speak now, but a great number of you must have heard the whisperings at street corners, and have seen the winks and nods which in this place are all that are necessary to damage a man's reputation. I have a thorough knowledge of the Kimberley mine and of the circumstances under which Barnato Brothers became claim-holders in the mine. Their property was so rich that people whispered that Mr. Barnato had some means of finding diamonds that other people had not. It was remarked that the ground yielded on an average from two to two and a half carats a ton, and it was even asked whether this was not sufficient to convict him. There have been other men, and honest men too, whom I have known, and whose reputations have been blasted by such tittle-tattle. Well, as you all know, this property came after it had passed from Barnato Brothers' hands, under my own management, and I worked it separately; with the result that I found it did actually yield two to two and a half

carats. I hope that for the future people will be very careful how they come to conclusions on such evidence."

I need only add that McHardy was a man of such strict integrity and high reputation that even in Kimberley there was nothing to be said against him. This very plain statement laid that particular charge at rest for ever.

Barnato's first speech during the period previous to the election was delivered, as he had before announced it would be, at a public meeting held in the Kimberley Town Hall on the evening of nomination-day, October 30. It needs neither introduction nor comment, and was, with the omission of some unimportant paragraphs, as follows:

"Gentlemen, I ask you, whether you are Englishmen, Scotsmen, or Irishmen, or whatever nationality you belong to, to give me a fair hearing. My supporters have been dubbed the 'rowdy element,' and I ask you, who are friends of the opposition, not to take our character away. Why I ask you to kindly give me a little attention, is because I have been publicly accused of being afraid to speak. Therefore, gentlemen, I ask you again to give me a fair hearing. I am here for the first time in my life on a political platform. I must say it is a new position for me; and I therefore ask you to listen to me patiently, and when I have done, if you disagree with me I shall like you just the same. No doubt you are aware I was nominated to-day. My object in going down to Parliament is not to satisfy my personal vanity; neither am I anxious to represent the Diamond Fields on general grounds of ambition; I desire to go down to protect the interests of Kimberley. As many of you are no doubt aware, I was asked to stand for Parliament in 1881, when Mr. J. B. Robinson stood; but I was a young man then, and I declined to accept the responsibility. Now, what with the experience I have gained, and with my large interest in the most important industry in the Colony, I do not think I am presuming if I take it upon myself to come forward as your candidate. I may also say that I should not have

stood if I had not seen that here was a weakness of the other candidates. I saw we were in a difficult position. As no doubt you are aware, there are very many important questions which are bound to come before the next session of Parliament, and my only object in going down is to see if I can be of some good in the House of Assembly for the sake of Kimberley. You know, gentlemen, that I am largely interested in these mines, and you also know that I was instrumental in keeping our industry in the Colony. I maintain that if the control of the diamond industry of South Africa had been taken Home, and had got into the hands of London directors—what I call the guinea-pigs of finance—there would have been a panic such as was never equalled in the Colony, and what then would have been the position of the people of Kimberley? I surely need not tell you that my interest in Kimberley mine and in De Beers mine is very large indeed, but I am not here to blow my own trumpet. I was nominated by the Miners' Union, and I would remind you that the Miners' Union represents not less than something like twelve to fourteen millions of money. That is the capital represented by the whole Diamond Mining industry in South Africa. The matter was also referred to the only other corporate body in the place, the Licensed Victuallers' Association, and they heartily supported my candidature. As far back as 1880 I was a member of the Kimberley Town Council, and I was instrumental in bringing the water into Kimberley. I was one of your municipal representatives who met Sir Charles Warren, at that time the Administrator of Griqualand West, on the subject of a water supply; and he told us that it was too premature for us to think of bringing in a water supply on our own account. But, in spite of such an opinion, and of other criticism upon our attempt to confer such a boon upon Kimberley, I was one of the heartiest supporters of Tom Lynch in his enterprise of providing an abundant water supply. As far as the Beaconsfield Water is concerned, I can take it upon myself to say that along with

Mr. Rhodes I bought that concession. We bought it as a private spec, but Mr. Rhodes came to me and said, 'Don't you think it would be much better to give up the concession for the benefit of the general mining industry, letting the townspeople have a share in the advantages?' I at once agreed and without one sixpence of profit I gave that concession up, although I can assure you I might have made £100,000 by it after the Act was passed. Now it has been said that the object of my purchasing in the De Beers Consolidated Mines was to close down the Dutoitspan and Bultfontein mines. I tell you we had no such object in view. Our object was to keep the mining interest in this country and not allow the foreign element to come in and shut down the mines. You may remember the panic of 1881, when one company was fighting against another. Then not only the investors in diamond shares suffered, but the workmen of the Fields; the whole country felt the evil effects of that panic, and it lasted nearly three years. All interests, both mining and commercial, were disjointed and demoralised, and diamonds fell to something like ten shillings a carat, half the people in the place being more or less starving. Our only object in consolidating the mining ventures in these Fields is not to interfere with the just rewards and rights of the workmen, but to protect the diamond trade, so that the precious stone which forms the staple product of this Colony shall not be something which can be picked up in the street.

"Another question I would like to say a word about is the compounding of natives. The compound system was introduced while I was in England, but I think you will all admit it has been a very good thing for the moral and social well-being of Kimberley. You need only refer back a few years ago, when we used to see natives walking about the principal streets in all stages of drunkenness on Saturdays and Sundays. Respectable people were afraid to make their way through the thoroughfares to church on Sundays. On the one day

the streets were filled with drunken Kafirs; on the next morning the police court was occupied all day with the cases arising from the lack of control over them. But now, with the compound system generally adopted, no such disgraceful scenes occur; you can go into any well-ordered compound and see how quietly the natives conduct themselves; you can move through the streets in safety and comfort. I ask you to contrast present conditions with those that prevailed before, and then to say if it was not right of the mining employers to introduce some such system.

"I have referred to the Miners' Union and the Licensed Victuallers' Association, but now there is another Association in the field—the Citizens' Political Association. Well, gentlemen, that simply means the anti-Barnato League. I must confess I have always thought a lot of myself, but I never did think, until the work for this election commenced, that I was so important as to necessitate the establishment of an association to keep me out of Parliament. I shall not trouble to speak of this association individually, because to touch on every member in his own proper character would be *infra dig.* on my part. This anti-Barnato League have no politics, they do not care what the electors do, or whom they return, so long as they keep Barnato out. Let me, however, refer to an advertisement which you may have seen, and which says, 'Electors of Kimberley and Beaconsfield, if you wish to successfully oppose the election of Mr. B. I. Barnato, then vote for Messrs. Lange, O'Leary, Cornwall and Lynch.' You see it is just as I have said; they have no politics. You can put six members into a bag, shake them up, and take any four out as your representatives, only do not let Barnato be one of the six. They don't care what they do one way or another; the cry is, 'Keep Barnato out.' I am aware that candidates who stand for Parliament have many and various charges levelled against them, but I make bold to say that no man who was ever in my position was attacked in the gross and unseemly manner which has been my fortune during the

last week or so. I say it is unprecedented in the history of the Diamond Fields, for they have not attacked me as a politician, they have unmercifully assailed me in my private and individual capacity."

After a cutting analysis of the position and motives of some of his prominent opponents, Barnato continued :

"Amongst many other things, my character has been referred to. Well, I know that many of you now present knew me in the early days of the Diamond Fields. I came out in 1873 ; I was referred to the other evening as the Prodigal Son, but let that pass. In 1876 I bought my first claim in the Kimberley mine and paid a very good price for it. I kept on digging till 1881, when I was the purchaser of four claims, which I floated into a company for something like £25,000 a claim, amounting with machinery to £115,000. That was my first attempt in life to put myself in a good financial position, and that was the Barnato Company. Previous to its being the Barnato Company, Mr. Pippin, an old digger from the river, came to me. Before doing so, he had gone to one whom you all know well as a man thoroughly respected on the Diamond Fields, Mr. W. M. Smith, and asked him, with a peculiar shrug of his shoulders, if he should go and work for Mr. Barnato. Mr. Smith said : 'I have known Mr. Barnato from the early days, and if you have him for a master you will never regret it.' It was said of me the other night that people spoke about me, and were jealous of me, because I paid good salaries. I paid good salaries because my men worked well and deserved to be paid well. Many of you knew Mr. Pippin ; he was in my service for seven years, he worked for me all that time, he died in my service, and when he died I took his son on in his place. Well, I came out from England in 1884, and I bought Mr. Stewart's ground. At that time it was remarked that I paid the highest price for claims ever paid in the Kimberley mine. I think myself I paid a fabulous price, but I wanted those special claims, and with that speculation alone I made

no less than £200,000. Yet my opponents say that this is 'Wealth divorced from honour.' I need hardly, perhaps, refer back to the Barnato Company. You all know that all kinds of hints and innuendoes, and shoulder-shrugging, were indulged in; but, as Mr. McHardy has already explained, when the property parted from me entirely, when it was placed in the hands of a company, in the first three months, although the claims stood at £25,000 each, a dividend of 9 per cent. was paid, the next three months the same dividend, and the next three months the same; which was equal to £33,000 dividend out of four claims in nine months as a company concern. Then the ground got covered with reef, and a heavy Mining Board debt was landed upon it. I was a member of the Board in those days, and there was no underground working then, remember. Well, I personally lent the money to extricate the company from its difficulties, although, had the property been put up to auction, as it must have been if I had not advanced the money, I could have bought it in at an enormous profit. Standard Shares were at £17, Kimberley Central, with their claims valued at £2000 each, were at £25, and I am convinced that I could have bought in the Barnato block with great advantage to myself. But what did I do? I amalgamated with the Standard and brought the shares that originally cost £50, after four years' hard work, up to £150. This is what is called 'Wealth divorced from honour.'"

Having dealt with the Customs and Excise questions then prominent in the Colony, he continued:

"There is one thing I should like to touch upon, because it affects us more keenly than any other question of Colonial politics, and that is the diamond-tax. I should like you to follow me closely in what I have to say about the threatened tax. I suppose many of you read what the Hon. J. X. Merriman said when the Beaconsfield Water Bill was before the House. He said he would take very good care that the next session of Parliament the diamond-tax was not hustled

out of the House. Now, in asking you to support my candidature, I want you to remember this very important question, and I want to remind you also what the same speaker said of the copper-tax in 1884. When a proposal to tax the copper output was brought forward, Mr. Merriman said: 'I hope the House will negative such a proposal as taxing copper, as it is introducing quite a new feature into this Colony on our exports. The sole reason given for it is that the copper mining industry is in a prosperous condition. We should rather encourage people to come here to start new mines, so that the prosperity of the country might be increased. This is a true colonial industry, and one that ought to be encouraged. By the suggested tax we should be killing the goose that laid the golden eggs. The only country that ever tried to tax copper ore was Spain, and even short-sighted, foolish Spain had to give up such a tax, which was found to crush all enterprise out of the country. If the copper-tax is agreed to, it will be a hint to the capitalist not to come into the country. There can be no advantage in damaging an industry which has done so much for us in the past and will do so much more in the future. We should be doing very wrong indeed to single out any particular industry, company or individual to tax in this manner.' Well, that was what Mr. Merriman, a member for the exclusively copper mining district, said with reference to a copper-tax. I may tell you that the copper mining industry is one of the most flourishing industries in the Colony and pays 30 per cent. in dividends, the £7 shares standing at no less than £49. Yet, while so opposed to a copper-tax, Mr. Merriman has said that he will do his best to crush our industry, that he will 'see that the diamond-tax is not again hustled out of the House.' What a glorious instance of the splendid inconsistency of this inconsistent politician! I can only say that, if I have the honour of going down to Parliament as your representative, Mr. Merriman will have a very warm time of it. I can assure you I shall not be afraid of this pocket political gentleman."

[In dealing thus specially with J. X. Merriman, Barnato had doubtless in memory an attack upon himself made a few weeks before. Speaking at an election meeting held at Woodstock in support of J. Rose Innes, Merriman said:

"Men are being put forward for election who, if returned, would be a disgrace to any society; and it is quite possible that we may see the spectacle of the dupe on the Breakwater and his employer in Parliament."

When asked to be more explicit, he replied:

"I am not such a fool as to render myself amenable to the law of libel."

The *Lantern's* cartoon of the week following, reproduced on the opposite page, is eloquent of the general public indignation at the disgraceful innuendo. It was said that Merriman had formerly kept, or had been interested in the profits of a bottle store, that is, an off-licensed liquor shop. He is represented as having thrown a bottle of dirty water at Barnato after he walked past his store, but failed to hit.

Barnato, turning: "Hi, you there, sir; was that meant for me?"

Merriman (in confusion): "Well—Yes—No—Hem!—I daren't say."

Barnato: "No, you cowardly scoundrel. Next time, you aim straight if you dare."]

"I do not want to go into figures, and I need hardly tell you that the effect of this diamond-tax on the Fields would be most ruinous. I confess I have taken a very great interest in this matter because it touches my pocket; but remember, please, that it will touch yours also. It would destroy the confidence of the investing public if once the Cape Government interfered with our industry in such a manner. During last session a proposal was made by Mr. Arthur Douglass, member for Grahamstown, to impose a diamond-tax, and I at once wired down to the Attorney-General, Sir Thomas Upington. I mention this to show that my opposition to the diamond-tax is no mere electioneering

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cry. I wired as follows: 'Douglass' motion in the present demoralised and stagnant state of the diamond and share market is likely, unless withdrawn, to cause a panic here and at Home, and to have such a disastrous effect on the financial credit of the Colony that it will take years to recover.' That telegram was sent on the 31st May, and I say I mention it to you in order to show you that my voice will be heard in the House if I should be returned, and if such an iniquitous proposal is brought forward again. Of course all the other candidates who are supported by this so-called Citizens' Political Association will tell you that they also are opposed to the diamond-tax; but remember this, that my interest is here in the mines, and I think that I shall be able to exert some influence not only in the House but outside of it as well. Now I need only say that if a diamond-tax was introduced, say of only 5 per cent. on a production of four and a half millions a year, it would represent a cost to Kimberley of £215,000. Not only would this interfere with our dividends but it would interfere with the interests of the working men, because we would have to cut down expenditure, and you would be the victims. I say it is all very well to send down men who will say that they will protect the diamond industry, but what I advise you earnestly to do is to send men to the House who will protect the industry of the place because it affects their pockets; and who, owing to their many years' connection with Griqualand West, are determined that no such hurtful impost shall be imposed to the detriment of the people.

"I do not know whether you are aware that the exports of the Cape Colony are about £9,000,000 sterling per annum, and that Kimberley in itself exports £4,500,000 of this. Now my opponents say I am not a fit and proper person to represent you in Parliament, when I represent half the exports of the Colony. The diamond industry of this Colony is a government within a government; and if I am fit to sit on the Board of the Consolidated Mines, holding one-eighth of

the mining interest of Griqualand West, along with such men as the Hon. Cecil Rhodes, and the representatives of the historic house of the Rothschilds, surely I am quite good enough to go down and represent this constituency of Kimberley and Beaconsfield. This is a very important matter, and while appealing to you for support, I ask you—and let my words be remembered—if I prove unworthy of your confidence, to call me to the bitterest account. If you think that the only qualification I have to represent you is wealth, do not send me down, for I should dearly wish you to believe that I have other qualifications.

"I have now to say a word on railway questions, and here I can assure you we have nothing to thank the Merriman Government for. You will remember a few years back what a difficulty there was in extending the railway line from the Orange River to Kimberley. Now I will tell you what it cost the people of this country. Money was borrowed at the rate of 5 per cent. to put down the line from Cape Town to the Orange River, and the losings on the whole of the line were at the rate of $2\frac{1}{2}$ per cent. on the whole cost. We borrowed something like five millions. The loss fell largely upon Kimberley, which was the milch-cow of the Colony. After waiting two years and more in the Karoo at the Orange River, the line was extended to Kimberley at a cost of £400,000, but we have to thank the Sprigg Ministry for the extension. As soon as the line was extended, we here paid, and have since paid, not only the interest on the capital of the whole line, but a balance to credit besides. Now what did the Merriman Ministry do? They borrowed something like £4,000,000 of money. I was in London at the time, so I know something about it. The money was borrowed at the rate of 5 per cent., and the loan was issued at 98. The 4 per cent. stocks were then standing in the London market at $100\frac{1}{2}$—that is, slightly at a premium—and yet they went to the market and borrowed the money at 5 per cent.! It was a scandalous thing, and it meant a loss to

the Colony of £80,000. Gentlemen in London said they would never invest a penny in the Cape Colony, because these amateur financiers were ruining credit. It cost to borrow £4,000,000 at 5 per cent., issuing at 98, £80,000. The 5 per cents. have now been converted into 4 per cents., but we had to give £115 for the £98; and now 4 per cent. stock is at £107, making the price of conversion to the Colony £122. So you see it costs something like £40,000 a year through sending men Home who are not good financiers. The whole thing ought to have been done at 4 per cent., and it was done at 5 per cent. I am speaking facts, although I have to say I made a profit of £30,000 out of it. I heard that Sir Thomas Scanlen and Mr. Merriman were in London to bring out a 5 per cent. loan. I went and beared the 4 per cents., and stock that was at 100½ went down £6 to 94. I took the opportunity to bear that stock. That is called, 'Wealth divorced from honour.' At the present time Cape Colony credit stands at 3½, and the cause of this is the extension of the railway to Kimberley. I believe in a policy of extension, and I regret very much that the Government have not seen their way clear to an immediate extension in the direction of Vryburg, Mafeking, and Thoshung, because I believe the future of the Cape Colony lies greatly in Bechuanaland and Matabeleland."

The speech concluded with a promise to support the adoption of the Ballot for the whole country, but that he would oppose any partial application of it, and he conferred upon J. X. Merriman the title of "The Solomon Eagle of Mowbray." As Barnato said, he had been taunted with being afraid to speak and to face a Kimberley audience, but he had himself planned out his election campaign and determined that the proper time for his first public meeting and speech was on the evening of nomination-day. From this determination no abuse, no activity on the part of other candidates, no entreaties of his own friends even, availed to move him. At his own appointed time and place he spoke. The

effect of the speech was immediately seen. That he held the attention of a crowded and turbulent audience to the end, that a unanimous vote of confidence was passed, and that he was chaired round the building, were all evidences of the effect; but they were insignificant when compared with the change in public opinion as to his chances. Kimberley in those days was nothing if not a sporting town, and had lately had its Spring Race Meeting. Betting on the result of the election was therefore to be expected, and before the speech Barnato stood at two to one against for a place, with no supporters for a win. The morning after the speech the betting was three to one on Barnato for head of the poll, and further speculation only concerned itself as to the hundreds of votes by which he would surpass the second.

It was thoroughly characteristic of Barnato that directly he had definitely decided to become a candidate he went personally to the proprietor of the opposition newspaper (it was a day or two after the first attack had appeared) and warned him that, though the paper might libel him with impunity during the election, the libel actions would surely follow. The proprietor, in reply, said he was sick of the whole thing and wished Barnato would buy the paper.* In after years I heard this incident adversely commented upon by one who was no friend to Barnato, as an act of the grossest intimidation; and I asked Barnato to explain why he went on such an errand at such a time.

"Yes," said Barnato, "I did go. I gave the whole story at the time in one of my election speeches. The paper had previously been in our pay, that is, in the pay of the Central Company, for commercial reasons. We paid £30 a month and the editor submitted his articles to us. When

* The *Lantern* seized this particular incident as a fitting offence for which to pillory the editor of the *Independent* the following week. The cartoon, reproduced on the opposite page, represents the editor throwing ink-pots at Barnato, none, however, hitting him. To them appears Diogenes with his lantern, who queries: "Why do you throw your ink at him; it does not touch him?" Editor, in reply: "Because he will not pay for it."

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the election drew near all subsidies were discontinued, and it was decided that if any press support was needed more than was voluntarily afforded a special newspaper should be started for this purpose. Well, when the paper attacked me so bitterly I knew perfectly well who was supporting it and had been inspiring the comments. I knew that there was opposed to me a clique, wealthier than I was, who had never forgiven me for besting them time after time, and that no money would be spared to rake up everything they could find to my discredit. I made sure of being able to bring several libel actions, and I wanted them to be good ones. I did not want to bring one or several actions and then find the defence fizzle away for lack of evidence. I didn't care a scrap about punishing the proprietor or editor for publishing, but I did want to meet the vile slanders and worse insinuations, stated as plainly and forcibly as possible, in detail. So I thought it over and came to this conclusion: That since they would certainly, before the election was over, give me ground for an action for libel, I had better warn them of my determination, and then they would be careful nothing was published that they could not, according to the information my enemies supplied to them, fully justify. Of course it didn't quite work as I hoped; I mean I didn't manage to get ground for any libel action at all; but the warning probably saved the editor and proprietor in question from undergoing terms of imprisonment for loose writing. I would have done, in fact I believe I did do, everything short of fabricating evidence against myself to induce my opponents and enemies to make some charge against me; something that they could defend, and that I could rebut in such detail as would never be forgotten, but they never could suborn sufficient false witnesses to make a show."

CHAPTER VI

THE KIMBERLEY ELECTION

The election contest—No party politics in the Cape Colony—A disturbed meeting—Barnato's last election speech—Reviews his Kimberley career—A clean record—Barnato heads the poll and then helps Rhodes—His maiden speech in Parliament—Press criticisms—Fulfilling election pledges—The Kimberley police incident—Barnato carries his first motion against the Government

The first real election speech Barnato made during the campaign (quoted in the preceding chapter) was delivered, according to his own plan of operations, on the evening of October 30, after the formal nominations had been made in the morning and the poll demanded. The other candidates, six in all, had been holding meetings, canvassing and speaking continually, but no taunt, no entreaty had drawn him from the quiet work of preparation. For the next fortnight, until the day of election, November 14, he practically lived in public; and when and how much he managed to sleep are still unsolved questions. He canvassed the whole of the electorate personally, he spoke at constant successions of meetings all day long. On set occasions, on the market squares, at street corners, wherever men gathered, there was Barnato pressing his candidature. As many an election candidate has found to his cost, it is one thing to make a set speech, and quite another thing to come satisfactorily out of determined heckling. Barnato proved that he was not only possessed of unexpected oratorical powers, but that he had the great platform advantage of perfect self-possession and

readiness. This enabled him to take up interruptions and awkward questions, and at once convert them to his service. It will already have been clearly grasped that there was in the whole of the election contest no question of any differences of politics as they are understood in England. There is not even to this day in the Cape Parliament any definite line of demarcation between the Government supporters and those who for the time are in opposition; and although there are some questions of public interest, and a few, very few principles, supporters and opponents of all are to be found on both sides of both Houses. General elections in the Colony attract, of course, considerable attention, but each voting centre is concerned with its own candidates as a rule, and cares little for the progress of affairs elsewhere. Whatever the result of the elections may be in the aggregate, it is known that the Ministry will remain practically the same; and politicians, members of defeated Ministries, find no difficulty in taking office with their former opponents. The present premier of the Cape Colony, Sir Gordon Sprigg, is a beautiful and most instructive example of the adaptability of the Cape politician. The 1888 general election was remarkable for the interest that the Kimberley fight excited; and the inhabitants of the dorps, the sleepy hollows, even the farmers of the open grass veld, the barren karoo, and the richly fertile kloofs, began to feel some excitement. Barnato, his life, his manners, and his chances of success, became the subject of conversation in many an isolated homestead no less than in the few busy towns; and five years later, when I myself rested for a night in a most hospitable but rudimentary farmhouse, in a district remote from railways or even villages, the farmer brought out for my reading a huge bundle, carefully preserved, of newspapers of October and November 1888.

In addition to the ordinary means of advertisement and the attention drawn to himself and his doings by his opponents, Barnato determined that nothing should be wanting on his

own part in personal pomp and surroundings that could aid in attracting notice. Naturally one of the simplest and most unostentatious of men, he now dressed particularly carefully and neatly as a contrast to his gorgeous special equipage, consisting of a highly decorated barouche drawn by four horses with outriders, postillions and footboys all in scarlet liveries. Relays of horses and of servants too were needed to keep up with this indefatigable man during the fortnight of incessant work and movement. Of course he had a strong and able committee who were all absolutely devoted to him, and who looked upon his success or failure as a personal matter, but it is no slight to them, no slur upon either their exertions or ability, to say that Barnato himself directed, fought and won. He did not have everything his own way. All movements abroad were not attended by cheers nor was every meeting a personal triumph. On one occasion he had to retreat with his trusty henchmen, Woolf Joel, J. Lawrence and Dr. Rutherford Harris, through a back window to avoid what would probably have been serious personal injuries at the hands of infuriated, drunken, and for the moment successful ruffians. On another occasion, at a public meeting in the Theatre Royal, Beaconsfield, so great was the organised opposition that for over an hour he and his supporters on the stage endeavoured to gain a hearing. An ever active and athletic supporter took off his coat and, leaping from the stage, personally assisted in ejecting the worst of the noisy disturbers, while Barnato, faint from his exertions, gained five minutes' rest. Subsequently a vote of confidence in him was understood to have been passed by a large majority, and the meeting dispersed with fragments of chairs and furniture as trophies, leaving only a wrecked theatre.

So with varying fortune the candidature passed on. On the whole, Barnato was undoubtedly well received, and the most unscrupulous attacks gained him support instead of inflicting damage; for many who were honestly opposed to him simply because he was the representative of the mining

industry, eventually gave him their vote from disgust at the opposition tactics. Of all the speeches, it is only now necessary to quote from the very last delivered in the Kimberley Town Hall on the Saturday night, November 10, with the election to follow on the next Tuesday. In a report of the speech in a Kimberley paper on the Monday, one of the headlines was "His opponents on a gridiron." This exactly described the first part of the speech. He did indeed with unsparing hand grill his opponents, but that has no present interest, nor do I intend to revive any part of long-forgotten sorenesses. In the second part of the speech he said:

"You have all heard many statements to the effect that I am a man of 'Wealth divorced from honour,' meaning that I am a man who has made my money dishonourably in this place. I came here fifteen years ago as a young man of twenty. I have struggled very hard, and I challenge any man as I stand on this platform to-night to come forward here and say that I have ever gained one shilling dishonourably. I, at any rate, have a clean record not only here but in England. I have had no great aspirations to become M.L.A. I am known well enough to all as plain common Barney Barnato, without wishing to become B. I. Barnato, Esq., M.L.A.; but when I saw that no one else, neither Henrichsen, Lionel Phillips, nor Mylchreest, could be got to stand as a candidate for Parliament in the mining interest; then, and only then, did I accede to Mr. Rhodes's request that I should stand in the mining interest for Kimberley. I wondered then what recommendations I had, and what I could do. I was very loath to stand, and was hesitating, when suddenly there came out in the *Independent* the assertion that I was afraid to stand and to speak for fear of my past life being brought before the public, and that I was not a fit and proper person to represent Kimberley in Parliament because I was 'Wealth divorced from honour.' It was then, and then only, that my pluck came back to me, for I was determined to make another attempt to find out, if possible, what

it was that persons, any person, had to say against me. I came forward. I have been for two months the target for every kind of abuse. There has been time and opportunity for my enemies to rake from their own heaps all possible filth. I have challenged them all, and I ask and demand that you shall tell me, if you can, of anything that has been alleged against me or whether the first assertions have been justified? No, not one of you can tell me of anything that has been brought forward in the least to my discredit, and I can tell you why my enemies have not succeeded, and that is because there is nothing in my life that I am ashamed of. The best sign of proof as to whether I am a fit and proper person to represent you, the people of Kimberley, and your great industry, will be shown on Tuesday next, November 13, when I will be placed by you at the head of the poll. It has been stated that I have gained money in this place dishonourably. I am pleased to have the opportunity of putting myself before you in a proper light, for I have nothing to be ashamed of, and have done nothing that I would not willingly do over again. I have gained my money by personal pluck, sheer hard work, and honourably by faith in myself and my convictions, and I dare any one, now or hereafter, to say and prove the contrary. As I have said, I set foot in this place in 1873; by 1876 I was worth £3000. What did I do then? I bought a claim in the Kimberley mine from Messrs. Kerr Brothers. I knew full well that ground was very rich. I kept on making money, and by some fortune or other—I might have had a providence—I struck the four richest claims in the Kimberley mine. I kept them till 1880, and from those claims I made, on an average, £1800 a week. I then floated the claims into a company for £25,000 a claim and £15,000 for machinery, and the company made a magnificent profit, paying from the first 9 per cent. every quarter. During the time of depression I lent the company £12,000 for four years, and saved the property from liquidation, when I could

have bought in the shares cheaply and made money; and ultimately, by amalgamation with the Standard Company, the shareholders were paid nearly double their £25,000 a claim. There had been all sorts of insinuations about sorting, but the people who made them were soon silenced when they saw what the property really was. Yet, after all this, the people who opposed me then come now and make serious, violent, and dastardly innuendoes against me, not daring to make any particular charge, cowardly as they are. I wish there were a few more adjectives at my command to apply to these people. Mr. McHardy and others have publicly testified before you that when the property came into the hands of the Central Company it proved to be all that Barnato Brothers had claimed for it.

"I want to meet Merriman face to face on this and other matters. I am quite aware that I have not been a politician until now, and that I am not one yet; but if I give politics my study with close application, as I intend doing henceforth, although Mr. Merriman has been living in the air of politics for fifteen years, he will find he has, I hope, a fairly capable and worthy opponent in me. I am no orator. I have had very little experience in public speaking, and I have only met the people of Kimberley on a few occasions; but when I meet this man, who has thrown out dastardly innuendoes against me, I shall be the first man in the House to show him that I do not fear him at any time or in any place. Only a few weeks back Mr. Merriman called the people of Kimberley 'peripatetic adventurers and wandering thieves!' I could tell you a good deal about how Mr. Merriman tried years ago to consolidate the mines here with a capital of twenty million pounds and to transfer the management to the hands of foreign capitalists. But I am going to keep the shot for use at a proper time."

The rest of the speech was devoted to further retaliatory criticism of Merriman and others by name who had opposed him, and dealt with his election pledges and local matters.

The actual day of election presented a scene of the very greatest excitement in the Kimberley district. There were some fifteen polling-places, and at each the result of the open voting was posted up hour by hour. It was seen by midday that Barnato would be an easy first, and thereafter he devoted himself to helping on some of the other candidates. The result of the poll was: Barnato, 1657; John Lange, 1376; Lynch, 1078; O'Leary, 1034; who were declared duly elected, and then first of the unsuccessful came W. Slatterly Lord, Q.C., 1028. On petition O'Leary was unseated and Lord was put in his place as junior member. This last-named gentleman, an able advocate and a most popular man, unfortunately only served through the following session of the Parliament, and died universally regretted while on a voyage to England. In addition to the O'Leary-Lord petition, there was only one other outcome of the election in the Courts—a libel action brought against the *Independent* by the chief of police—but that fell through.

As for Barnato, electioneering seemed to agree with him, for no sooner was his own contest triumphantly ended than he proceeded to the adjoining constituency of Barkley West, which had before returned C. J. Rhodes, who was again a candidate; and there, in a widely scattered electorate, he worked for a fortnight for his friend as energetically as he had ever worked for himself, and with a completely satisfactory result. Then he turned again to his own business affairs, and went up to the Witwatersrand to look after his rapidly growing interests in that rising district.

In due course he took his seat in Parliament, and after two months' silence spent in carefully studying the House of Assembly and the members, with the ways and customs of what was to him an entirely foreign environment, he caught the Speaker's eye and made his maiden speech on a motion by Arthur Douglass, member for Grahamstown, in favour of the Ballot. His election pledges had been to support a general Ballot Act for the whole country, but as with the Capetown

members and Capetown, so he declined to admit that his own constituency called for special treatment. In fact he had stated it to be his opinion that the Ballot was more required in the country districts, and he would not therefore approve of it unless applied to the whole country, when it would have his hearty support. He followed Messrs. Lewis, Weiner, Pearson and Ohlssen in the debate, his speech being as follows:

"Mr. Speaker, I shall not occupy the time of your Honourable House at any length, for I am not desirous of seeing this debate adjourned, but I wish to express myself as briefly as possible on the subject, especially in view of my own experiences during the last election. I did intend at one time to vote for the motion of the Hon. Member for Grahamstown, but since I have read the debates of the last session I have come to the conclusion that I can only vote for a general bill to be applied throughout the whole Colony, and I think that when I have given my reasons, Hon. Members will unanimously accept them. I speak from some experience, for in the last election it was hinted throughout the Colony that in Kimberley, which was considered the main and an important centre—and I might say, the most important centre in South Africa—considerable and continual coercion and intimidation were used, so far as the mining industry was concerned. I believe the Hon. Member for Barkley West (C. J. Rhodes)—who I regret to observe is not in his seat—debated the question at great length before a full House, after which it was unanimously agreed that the Ballot when adopted should be of universal application. The Hon. Member for Barkley West, referring to the mining industry, the paramount industry of the Cape Colony, has said more than once that there was no coercion, no intimidation on the part of employers of labour; and at a very important meeting of the De Beers Consolidated Mines, the Hon. Member stated that every man had the privilege and the perfect right to vote as he thought fit; and that he

was not called to vote for the mining or any other candidate, unless he thought him to be a fit and proper person to represent the constituency. In the Dutoitspan mine, the chairman of the Griqualand West Mining Company, representing half the mine, made a similar definite statement. Then there were the various speakers and the several candidates. I personally addressed what I think was one of the most influential meetings ever held in South Africa. I was very careful not to commit myself on the question of the Ballot Act, but was pressed, and on being definitely asked whether I was in favour of a Ballot Act or no, I said 'Yes, I would be in favour of a Ballot Act universally applied.' The feeling of the people of Kimberley was in accordance with this—that is, in favour of a Ballot Act, but only on condition that it was made of universal application. I will only further refer to some of the men who were lately members of this Honourable House for Kimberley, who posed as champions of the people on the question; and who stated that bribery, corruption, coercion, and undue influence were rampant, and must be checked. What was the result? As far as Kimberley was concerned, those people who posed as champions were not returned. It has been said that in several districts the Ballot would be impracticable, but I can mention one particular case which came under my own knowledge at Barkley West, where I had the pleasure of giving my support to a certain candidate. I spoke in favour of this candidate to one or two men who were working on certain farms, and the answer was made that they could not support him because, if they did, they would be subject to dismissal. I merely bring this instance forward in support of my contention that the Ballot is more, much more, needed in the country than in the town districts. I suppose that Capetown is regarded as an important centre, and Hon. Members have heard from the Hon. Member for Capetown that he also will support the adoption of the Ballot if it be universally applied. On behalf of the people of Kimberley

I say the same, but I am not prepared to see the Ballot applied in some places and not in others."

In the result, after further debate, the motion was negatived.

As the maiden effort of the senior member for Kimberley the speech excited much interest, and gained very favourable comment, poor and bald as it seems now. The *Cape Times*, a journal then strongly opposed to Barnato, in a commendatory paragraph, said:

"The adjourned debate on the Ballot was simply like flogging a dead horse or several dead horses. The only novel feature in the revival was Mr. Barnato's maiden speech, delivered fluently, and not at all needing the drum *obligato* with which it was accompanied, to compel attention. Mr. Barnato favours the universal Ballot, freedom of vote being subject, in his opinion, to more interference in rural than in town constituencies."

The *Cape Argus* said:

"The adjourned debate on the Ballot gave Mr. Barnato an opportunity to make his maiden speech. He is against the Ballot unless the Act extends over the whole country. He tells us that he attended the most important political meeting ever held in the whole of South Africa. Mr. Barnato's style is thoroughly ambitious, but his gesticulation has a taste of the platform rather than the semi-ecclesiastical dulness of the House, though his enunciation is clear and his words sensible."

Excalibur, a Capetown journal, now long since defunct, gave more space to the effort:

"Mr. Barnato, after two failures to catch the Speaker's eye, made his maiden speech in favour of a universal Ballot on Tuesday afternoon. The manner and style of the new Member were such as to leave a very favourable impression on the House; while as to the matter of the speech, he spoke in favour of the adoption of a universal Ballot Bill, and showed his adherence to the principle of the Ballot. His neat little speech, none the

worse, in my opinion, for being accentuated by an earnest manner, was one of the best surprises of the session. Most people were on the watch for the millionaire's *début*, and probably most people were inclined to be critical as well as to underrate his chances of success as an orator. It suits the whim of the great majority to believe that a man who has been so signally favoured by fortune owes everything to his good luck. Mr. Barnato, however, proved that he has not been neglectful of his opportunities, and even his turn for amateur acting—a form of amusement which he particularly affects—has stood him in good stead; the proof of which was given on Tuesday in the self-possession of the speaker, his clear enunciation and practised vocal organ. All this pleased and surprised the House, which smiled encouragement upon the new Member so courageously preening his wings for future flights in the political empyrean."

On the same day that Barnato made his first speech he seized an opportunity that occurred to fulfil one of his election pledges, which also excited very favourable comment. He had promised that the underpaid and much overworked police force of the Kimberley district should receive his aid towards an increase of numbers and pay. He now asked a question in the House, and secured a promise of an increase of pay; but, deeming this insufficient, a few days later he moved for and obtained a Select Committee to inquire into the condition, &c., of the force. In the course of his speech in making the motion, he said:

"This is not a grievance of to-day, for it has been in existence since 1882, and therefore I am not posing as the champion of the Kimberley police, but advocating the protection of life and property in Kimberley. In March 1882 Mr. Bernard Shaw wrote an exhaustive report on the police of Kimberley, a copy of which was presented to each House of Parliament, and the report stated that the force was entirely inadequate. If that was the case in 1882, what must it be now, when the population has grown to such a remarkable extent? In 1884,

when the position of the finances of the Colony demanded retrenchment, the Government saw fit to introduce a system of probation in the force and also reduced the rate of pay to six shillings a day. I think that, in view of the general tone and the report of the Police Commissioners, and also the fact that the matter has been taken up by the Kimberley press, I have shown the necessity for a Select Committee. I regret that the Government have not seen their way clear to place upon the estimates a sum sufficient for the protection of life and property in Kimberley. There are about one hundred and twenty members of the police force in Kimberley, and as the usual system of beats is followed, there are consequently only about forty men on duty at one time, so that it amounts to the fact that to guard 60,000 people, including five important camps of different mining companies, there are just forty policemen. I am surprised to see that the Treasurer-General has not seen fit, considering the handsome surplus he has got, to provide the necessary funds for the increase of this most important force. The wages of an ordinary miner, a presumably honest white man, are from five to ten pounds a week; and if this sum has to be paid for an ordinary miner, how can it be expected that the police will be honest at from six shillings to eight shillings a day? I hope that the Government will see fit to increase the force by another fifty men, and also to increase the pay, so that the Kimberley police force may be made a good, sound body of men."

In concluding the debate Barnato said:

"I cannot agree with the Treasurer-General that no good case has been made out. The Government can want no higher authorities for my statements than the Police Commissioners who have been in office, and the reports which they have from time to time submitted. It has been said that Kimberley pays nothing, as other towns do; but this is not correct, for the ratepayers have to pay a tax of threepence for municipal police, a coal-tax, a water-tax, and a bread-tax. It is unfair to compare the case of Kimberley with Barkley

West, inasmuch as the population differs enormously. I certainly think I have made out a *primâ facie* case for consideration, and I hope that the Committee will be granted. It must not be forgotten that the diamond industry pays separately for the special detective force organised under the Diamond Trade Act. I can assure you, in conclusion, that the men of the police force cannot live in Kimberley at all decently on their present rates of pay."

The Committee was carried against the Government by thirty-four votes to thirty.

The matter seems not of very great importance now, but I have purposely quoted from the speech, because on those very reasonable remarks there were founded two charges by Barnato's enemies: first, that he desired the police force to be poor and undermanned, so that it should be more accessible to corruption; second, and on a different occasion, that he had stigmatised the whole police force of Kimberley as corrupt, and that no one had had better chances for forming such an opinion.

CHAPTER VII

FROM DIAMONDS TO GOLD

Transvaal goldfields — Barnato visits the Rand — Misled by experts—Second visit and personal examination—The "financial Gibraltar" of South Africa—Buys gold mines and building sites—His first Rand gold-mining company—His firm faith in the permanence of the goldfields—"Wait, have confidence as I have"

With the new year, 1889, a new era commenced in Barnato's life. Henceforth all his energies and powers of work were devoted to the exploitation and development of the newly-discovered goldfields in the Transvaal Republic. His work in Kimberley was virtually ended when the terms of amalgamation were decided upon between Rhodes and himself; there were no more mines to develop, no more claims to float into companies; a definite policy of working had been laid down, and the management and control resolved itself into the merest matter of routine. For a time the keen election contest kept him fully engaged, but when that had ended in triumph it seemed to him that everything he had in hand had come to an end at once; so, by way of recreation and change, he decided on a trip to the Witwatersrand, or, as it is more generally and shortly termed, the Rand.

Away back in the far seventies there had been discoveries of gold-bearing quartz reefs in the mountainous and rugged parts of the Transvaal, and in 1884 a flourishing township had been established at Barberton for mining and crushing this quartz. In 1885 it began to be rumoured amongst the travellers between Barberton and the then great financial

and speculative centre of South Africa, Kimberley, that the curious outcrops of conglomerates extending along the ridge of the watershed of the Transvaal, the Witwatersrand (literally White Waters Range) were gold-bearing. During 1886, in spite of all the obstacles arising from an utter absence of roads and timber, sufficient machinery had been erected to test the gold-bearing conglomerate thoroughly; and it was found that, even with the crude appliances available, there was produced 15 dwts. and upwards of gold from each ton of rock ("reef" it was called). This was noised abroad and a great rush of gold-seekers ensued, which entailed great loss and much suffering on the poorer men, for there was no alluvial, and to mine the reef required capital and special skill. There was, however, a sufficient number of moneyed men there, chiefly from Kimberley, to commence mining in many places, and to lay out the new township now called Johannesburg.

Barnato had never cared for Barberton, or any of the quartz-mining propositions, for quartz veins are too liable to pinch out, and the prospects are generally uncertain; also at that time all his energies and capital were absorbed in the fight with Rhodes. In 1887, however, such strong evidences were adduced of the permanent wealth of the Rand reefs that Barnato went up there in person, and because he had himself no special knowledge of gold-mining, and had now too much to do to be able to spend years, as at Kimberley, in slowly and laboriously gaining special knowledge, he retained and took up with him two of the foremost mining experts in the world to advise as to the probability of permanence. Their names do not matter now, but their reports had a serious influence on the future of the Transvaal, for they induced Barnato to leave the Rand severely alone. The conditions under which diamonds were obtained at Kimberley varied from all previous experience, and before the richness of the Rand conglomerate was proved, it had never been dreamt that gold could be found in such a formation. The experts could not deny the actual and real

presence of some gold, but they affirmed that the outcrops of reef were merely the elevated beds of old watercourses, and that, therefore, the auriferous rock could not possibly extend to any depth. Barnato had already such work in hand that he did not know whether it would end in victory and defeat, and it is probable that he was rather glad to receive the decided reports against the new ventures. At any rate, after a very brief stay he returned to Kimberley in haste, leaving others to burn their fingers or reap a rich reward.

A few months sufficed to prove that the experts' opinions were wrong, and early in 1888 Neville Abrahams was sent from Kimberley to represent Barnato Brothers on the Rand. Directly the election was over in November 1888, Barnato himself went there, but still sceptical. He arrived on November 28, and a week of incessant travelling along the reef, examining the different properties where development had been attempted, and gathering evidence of mine managers and miners, convinced him that he was face to face with a far more important and promising industry than even the Kimberley diamonds. On St. Andrew's Day he was a guest at the Scottish gathering and banquet held in the Theatre Royal (still standing in Market Street, though now converted into a dry goods store), and in responding to one of the toasts, said:

"I am proud, pleased and happy to find myself amongst you to-night; for although I am a stranger in a certain sense, yet, when I look round and see so many faces familiar to me, I realise that I am to a great extent with old friends and acquaintances. I came to Johannesburg with one object, and that was recreation, for I have gone through many troubles lately, and have encountered much opposition; though I have succeeded in getting the better of my opponents, and have, I may say, annihilated them. I do not wish to boast of this, nor to refer to it any more, for the opposition in Kimberley has shown that, though I have some enemies, I have hosts of friends, who rallied round me manfully, and enabled the

battle to be won. I had no occasion to appeal to my friends, for at the first attack they came round me in a body.

"I am at present merely a visitor here, but I hope soon to become a permanent resident. I came here first some ten months back, and I will confess that I did not then form a bright opinion of the Johannesburg goldfields. Now things are altered, and I am already convinced that Johannesburg will soon be one of the greatest and most prosperous towns in South Africa. You must not think that I am anxious to praise Johannesburg up at present, for I have very little interest here, and nothing to sell; but I hope to have very large interests shortly. It is an old and true saying that one cannot pay too much for a good thing. I went to the Diamond Fields in the early days, and when I at length bought into the mines, I paid a good price for my claims; but it was not too much, and I profited by the investment. I am now willing to pay a good price for Rand stocks to-day. I do not wish you to be led away by my opinion, but I can assure you it is my firm conviction that a very bright future awaits these fields, and that the goldfields of the Transvaal will be to South Africa generally what Kimberley has been to the Cape Colony. The Cape Colony was in a very bad way before the discovery of the diamonds. I think you will all agree with me that Johannesburg is the most unique city in South Africa, considering that it has only been in existence two years. I can assure you that, when I arrived here a few days ago, I felt simply paralysed at the sight of what had been done. The mail left for England to-day, and if some of you here had only been able to look over my shoulder, and read what I wrote to some of the leading financiers at Home about the prospects of these goldfields, you would have been astonished. I came for a visit, but I shall stay for months, and I look forward to Johannesburg becoming the financial Gibraltar of South Africa."

Whatever Barnato's regrets may have been that he had not before been better advised, he spent no time in grumblings,

but sedulously set to work to acquire properties; not merely in mining propositions, but in real estate; for it was evident that, since the gold-mining industry promised permanence, building sites in the rapidly increasing town would soon be at a premium. He carefully examined into everything for himself, and, as usual, transacted his business in person. The rapidity of his operations during December and the following three months astonished even the go-ahead capitalist pioneers who had had the start of him by a year. On November 30 he was a stranger in a strange land. By the end of the year he had acquired a vast extent of claim-ground, containing auriferous reefs of proved value; he had bought every building site in and about what he intended should be the centre of business of the new town that he could; he had projected a plan for a large stock-exchange, and suites of offices to fix the business centre where it would be most convenient to himself; he had planned the erection of a huge pile of other offices to be called Barnato Buildings; and he had himself outlined the various limited companies who were to buy all the various undertakings from him and manage them. He had then the serious idea of buying up, or, at any rate, of acquiring a preponderating interest in every undertaking and business on the Rand. This was found to be too great an undertaking for his resources; but he did actually become within two months the largest holder of mining claims and of real estate, and the interests of his firm in the Witwatersrand have never since been materially lessened. As a practical proof of his faith in the permanence of the goldfields of the Rand, he decided to build a large house for his own dwelling-place, and tenders were called for its erection. The plans and specifications could be consulted at the architect's offices up to January 12.

So glowing were Barnato's reports from this promising Golden City, that his nephew and principal partner, Woolf Joel, came up from Kimberley for a few days to see for himself. At a dinner given in his honour on New Year's Day,

1889, he humorously explained his visit in the following sentences, which of themselves throw a strong light on Barnato's own convictions.

After referring to his own incredulity, he said: "A few months ago all my Kimberley friends kept dinning into my ears, 'Oh, you should see Johannesburg,' and Mr. Abrahams, of our firm, came up and wrote letters so full of glowing accounts of the place, and proposing such grand schemes, that I began to think of coming up. Mr. Barnato came up instead, and if Abrahams' letters were exciting Barnato's were ten times more so. Well, knowing the sharp business characters of the men of Johannesburg, and the easily to be imposed on nature of Mr. Barnato, I felt that it was absolutely necessary for me to come up and look after my partner. I am glad that I came. I have visited the mines and seen for myself, and nothing but the most pressing business necessity could induce me to leave again so soon."

Barnato also made an after-dinner speech in high eulogy of the place. So large and notorious had been his investments during the short period of four weeks, that a silly report had spread to the effect that he had sold out all his Kimberley interests to invest in the Rand. He admitted that he had largely invested, but he emphatically denied that he had in any way diminished his Kimberley interests. In conclusion, he stated that he should remain on the Rand until he had to go to Capetown for the opening of Parliament in May.

On January 2 a paragraph appeared in the Johannesburg *Standard* that Barnato had acquired all the claims and property of the Moss Rose and Primrose Companies. These properties were shortly afterwards floated into the New Primrose Gold Mining Company, Barnato's first mining flotation on the Rand. As I write now, the one pound shares of this company stand at $4\frac{1}{4}$. The hurried, and to other people who stood aghast at the extent of his operations, apparently rash speculation of that wonderful month has at any rate in this instance stood the test of time, and proved

the accuracy of his predictions. The Johannesburg Estate Company, founded at the same time, has also experienced a most prosperous career for nine years; and although it has been concerned with real estate, ground-rents, and trading operations, as distinct from the more speculative mining, it has proved a mine of wealth to its shareholders, and its one pound shares are to-day at $2\frac{3}{16}$.

On February 2 Mrs. Barnato arrived in Johannesburg, and the cheerful morning breakfast gatherings, especially on Sunday mornings, became henceforth a feature of and a factor in the development of the Rand.

From the time of this first real visit to the Rand in November 1888, Barnato was without exception and continuously the most popular man on the Fields as he had been at Kimberley. He was uncompromising in the assertion of his rights, unceasing in advocating and advancing the interests of his firm. Those who tried a fall with him, or who endeavoured by any trick to get the better of him, still found, as the Dutch farmers attending the Kimberley market had found years before, that sooner or later they had a bad day; but although the men with whom he struggled for pre-eminence could not always be his cordial friends, there was never at Johannesburg any of the bitter spirit that had envenomed Kimberley life. Personally he was to all men just the same blithe, debonair Barney, hail-fellow-well-met with all, and apparently utterly careless as to whom he talked with and what he said, but his tongue never betrayed what his judgment bade him to conceal. The ready good-fellowship, the lively tongue, the sparkling wit were perfectly natural, never assumed; yet he ever made man in particular and in general his special study, and all was fish that came to his net so long as it could be turned to the advantage of Barnato Brothers and all who trusted and supported the firm. He was indeed the incarnation of the spirit of business, but in a perfect bohemian guise. His financial schemes were the constant wonder of the Rand, yet he was ever the darling of

the people; and at public dinners or on the boards of the theatres, where he frequently appeared at benefits, his turn was the most eagerly desired, the most loudly applauded. His first appearance on the stage in Johannesburg was in February 1889, when, at a performance in aid of the building fund of the Hebrew Synagogue, given at the Globe Theatre, where Hyman's Empire Theatre of Varieties now stands, the "Ticket-of-Leave Man" was staged, and he played Bob Brierly to the no less admired Melter Moss of Louis Cohen. As the result of a cold caught during this performance he became seriously ill, but his strong constitution rapidly threw off the attack, and in a fortnight he was about again as brisk as ever.

Towards the end of March, Barnato presided at a farewell banquet to Robert Stroyan, then leaving for England, when, amongst other speeches, strong testimony was borne to the part he had played in the most recent development of the Rand, by Sir Thomas Scanlen, Prime Minister of the Cape Colony, and Mr. Sauer, Colonial Secretary, who had come up to spy out the land during recess. Towards the end of March he made another appearance on the boards, also of the Globe Theatre, playing Matthias in "The Bells," his favourite character, for the benefit of Miss Emily Levettez.

The list of gold-mining companies actually at work on the Rand during March 1889 and their results for the month were as follows:

Name of Company.	Gold won during month in oz.
Crown Reef	1665
City and Suburban	1292
Doornhoek	139
Durban Roodeport	1332
Dora	30
Enterprise	300
Heriot	531
Fleming	135
New Grahamstown	150
Stanhope	560
Jubilee	473

Name of Company.	Gold won during month in oz.
Chimes	329
Main Reef	320
May	1070
Moss Rose	397
Salisbury	1469
Simmer and Jack	963
Robinson	3250
Walsingham	262
Crœsus	250
Langlaagte Estate	4800
Royal	186
Wemmer	1457
Nigel	406
Black Reef	206
Mint	200

At Barberton, the earlier gold-mining centre, the Sheba alone returned 2770 oz.

Barnato's phenomenal success had attracted many imitators, and advantage was taken of the booming market by these to float some worthless propositions into companies. During April the inevitable collapse came, the banks put pressure on the clients they had supported, and panic set in. Barnato was not entirely dissatisfied that this should be the case, for while he took good care that all his own ventures were well supported it cleared the ground of rubbish, and his own faith in the Rand was too securely founded to be shaken. He went steadily on with the work of settling on a firm basis all that he had commenced, and especially devoted himself to the extension of his real estate holdings. All who had stands to sell found in him a ready purchaser, and he made his faith and his own position very clear in a speech delivered at the laying the foundation-stone of the Barnato Buildings by Mrs. Barnato at the end of April. He said:

"With reference to this building, my confidence in the future must be patent to all, though times are bad and things are quiet to-day. I find that many are panic-stricken at the course of affairs, and predict that before the building is

finished there will be a total collapse of the gold-mining industry on the Rand. I tell you here now, that I have never made any mistake in speculation or in the investment of money, and I prognosticate that, so far as Johannesburg is concerned, though now things are gloomy and the clouds are thick, the sun of prosperity still shines behind them and will ere long burst forth again in all its glory. I do not want you to speculate on the strength of my words, but, remember, my honest conviction is that you have a bright future before you in this place. I regret that I did not come here two years ago and place money in bricks and mortar; but you see I am making up for lost time by doing it to-day in the face of depression, and I am showing my confidence in the stability of the town by solid and irremovable investment."

In May he left for Kimberley with Mrs. Barnato *en route* for Capetown and Parliament, and at the usual farewell banquet, in the course of a lengthy speech, he reviewed his own work on the Rand, and gave an outline of what he hoped to accomplish in Parliament, foremost amongst which was to be the pressing forward of the Cape Colony Railways towards the Rand. In conclusion, he said:

"Though I am going away I am leaving my interests behind, and I still hold the opinion, expressed soon after my arrival, that the Transvaal will prove the financial Gibraltar of South Africa. I do not consider the present depression a panic. Stocks have fallen, but before long there will be a revival. I advise you to wait patiently for awhile, and have confidence in the place as I have."

He arrived in Kimberley on May 14, and after a few days' stay went straight on to Capetown.

CHAPTER VIII

THE REEFS OF THE RAND

From Parliament to the Rand again—Barnato at the Meyer and Charlton meeting—His mastery of details—Difficulties of gold-mining—Chemists and financiers—Money and patience—The Johannesburg Waterworks Company—A pledge of good faith—A veterans' cricket match—Barnato as auctioneer—A voice from the "profession"

Immediately the work of his first session in the Parliament of the Cape Colony was ended Barnato went straight back to Kimberley, and, after a few days' stay, during which he delivered his great speech at the first meeting of the De Beers Consolidated Mines, was again en route for the Rand. Woolf Joel had been in charge during his absence, and the policy inaugurated then by the senior partner of the firm, of continually extending their interests, and consolidating and organising all that was acquired, had been steadily pursued. A few hours sufficed for Barnato to thoroughly post himself up in the position of affairs, and all details of the development of the Fields; and on July 31 he made his presence unmistakably felt at a meeting of the Meyer and Charlton Gold Mining Company by a vigorous speech against a certain course of action by the then directors which he disapproved of. He maintained his objection in the face of strong opposition, and carried his point by inducing the shareholders to withhold their sanction to what was proposed to be done until legal opinion had been obtained.

Throughout Barnato's career he never failed to acquire the

fullest information concerning every undertaking in which his firm held even the smallest interest. Many of the other wealthy men, pioneers of the Rand, devoted their whole attention to their large properties, and managed them with conspicuous ability; but they would have been puzzled to state off-hand exactly the position or even the extent of their holdings in smaller ventures and syndicates. Barnato knew everything that was being done on the Rand as he had known at Kimberley. It was not enough for him that he had a thorough knowledge of all his great enterprises. He never had a £50 share in a remote exploring syndicate without being always fully posted as to all that was being done, even to the most trivial matter. And it was no trouble for him to reckon up exactly the number of his interests and the exact position of each.

On one occasion, after being very little in the office for some twelve days, he suddenly entered and asked what the balance at the bank was, and what business had been done. When told he sat down and made some brief calculations.

"No, that is not right," he said. "Have you gone through the books?"

"Yes; I have checked everything this week. All is in order."

"Well, you are wrong, I tell you. You are about £4000 out. You had better find out where it is."

The books were re-examined, every detail of the business of the firm was closely scrutinised, and in the end—after six weeks' continuous work—it was found that an employé had misappropriated a single parcel of shares of a little over £4000 in value, consisting of 100 Kimberley Centrals at £41, and had very cleverly falsified the entries. Barnato had no knowledge of the misdeed, and never dreamt of suspecting the individual; but he happened to want to know the exact position of affairs, and he could at any time roughly balance the whole of his vast business to within a few pounds. I never heard him enunciate the time-honoured

maxim "Look after the pence, the pounds will take care of themselves," he generally preferred to clothe his thoughts in his own terse phrases, but it was never better exemplified than in his conduct of business.

In the particular instance of the Meyer and Charlton meeting his own interest in the company was very small, but he did not like what was proposed to be done and stopped it. The Company soon afterwards passed under the direct management and able control of George Albu, and in the same hands it still ranks as one of the soundest and best managed companies on the Rand; but it was Barnato, with Woolf Joel, who prevented a grievous mistake from being committed in its earliest days.

A leading article in a Johannesburg journal of September 12, 1889, in which comment was made on the Johannesburg Consolidated Investment Company's first dividend of 5 per cent., paid out of the profits on the first four months' working, concluded as follows:

"Omitting this latest venture, Mr. Barnato is responsible for the existence of six companies in the Transvaal; five out of these are admittedly successful, the other is on its trial. This is an excellent record, and it is doubtful whether it has ever been equalled in South Africa or elsewhere."

At this time there was no railway within two hundred miles of the Rand, and everything—iron, wood, and even provisions—had to be brought for that distance by ox-waggon. The special correspondent of the *Citizen*, writing under date of August 16, 1889, from Johannesburg, was able to report of Barnato's first gold-mining venture, the New Primrose, as follows:

"The New Primrose adjoins the Moss Rose Extension, on the Johannesburg side. It owns twenty-four claims, twelve on the Main reef and twelve on the South reef. The property is twelve morgen, or twenty-five acres in extent. They have three developed reefs, or rather three reefs in the course of development, and are now at work with the diamond

apparatus to prove the whole property. The breadth of the North reef averages from 2 ft. 6 in., in some portions of it the breadth covers 5 ft. The Middle reef is from 2 ft. 6 in. to 3 ft. all through. The Main reef measures 8 ft. to 10 ft. They have six incline shafts on the reefs, varying from 90 ft. to 100 ft. in depth. The main incline hauling shaft is over 150 ft. deep.

"They have two small engines working on the incline shafts, and one 10-horse-power pumping plant complete. Now being about to work at greater depths, they are receiving from Howard, Farrar & Co. a 20-horse-power pumping plant; a portion of it is on the ground, and the rest is on its way. The claims lately acquired from the Moss Rose Company are turning out splendidly. From these claims, when they were the property of the Moss Rose Company, 5000 ounces of gold were taken out in six months, and the manager, Mr. Champneys, tells me that some of the reefs in these claims give three ounces to the ton.

"There is a Sandycroft battery of 20 stamps, driven by a 20-horse-power Marshall engine, and they are just adding another 10 stamps. The machinery works beautifully. They have 12,000 tons of ore in sight ready for getting out of the mine, increasing at fifty tons a day; and there is at grass over 500 tons, with an immense stack of hundreds of tons at the battery in course of delivery to the mill. They put from sixty to seventy tons through the mill daily. The workings underground are on the Californian system, in blocks. The reefs dip south at an angle of from thirty-five degrees to fifty degrees, and the outcrop of the reef is close to the Northern boundary.

"This Company's buildings are all of solid stone, and the ore is conveyed by a tramway which runs from the mine to the battery, a distance of half a mile."

I am glad to be able to give this extract from the old files of an independent and perfectly unbiased journal, whose reporter described exactly what he saw. This was what Barnato

had accomplished within nine months, working as it were almost cut off from the world, with only waggon transport to rely on. All the other properties he had acquired had been developed with similar energy, and when the year 1890 dawned upon the Rand, Barnato was not only the largest holder of mining stocks and properties of all kinds, but all that he held was being actively and intelligently managed, to produce certain and regular profit at as early a date as possible.

This was a very critical period in the development of the Rand Goldfields. During the whole of 1888 there had been increasingly wild speculation. The early theories that the gold deposits were only shallow had been exploded. With the unquestionable richness of the early developed mines, and the certainty proved by diamond drill borings that the reefs extended for at least hundreds of feet down into the earth, a boom commenced, and the prices of all stocks, good, bad, and indifferent, went up. This boom was in progress when Barnato arrived on the Rand at the end of November 1888, and his public speeches, still more his rapid and extensive purchases in all directions of everything he could get hold of, stimulated the rise. If other men had bought and started the boom, he had come in when high tide was apparently reached, and had been satisfied to buy in under those conditions. He might have waited for the inevitable reaction, but since he had not been on the Rand in the beginning he was content to pay the price. When the reaction came it was so violent that many of the pioneers of the Rand were infected by panic, lost heart and sold at panic prices. There was indeed much to discourage even the boldest in the prospects of the gold-mining industry, quite apart from the fall in the prices of shares, and the consequent restriction of credit. The first mines were worked literally from the outcrops of the reefs in the open, and the conglomerate rock or banket which contained the gold was crushed in small batteries with light stamps. To sink shafts

and continue the operations of ordinary mining meant heavy machinery, and although the manufacturers, both British and American, displayed great ingenuity in dividing up the weights into pieces capable of waggon transport, the cost was enormous. Then it was found that heavier stamps were required to pulverise the conglomerate so sufficiently as to enable the mercury on the plates over which it was washed to take up all possible gold. Struben's mill, the first erected on the Rand, near the Bantjes Company's claims, had only five stamps in the battery, of I think less than 200 lbs. weight each: the present batteries have hundreds of stamps, each of 1150 lbs., and in some cases 200 lbs. heavier. Special difficulties were also encountered in the process of the extraction of the gold from the crushed banket; for at a little depth it was found that the reef contained a considerable quantity of pyrites with the gold, which prevented the amalgamation process to such an extent that stuff which by assay gave twenty dwts. of gold to the ton of reef left only five dwts. on the plates, the rest passing away with the tailings. The Transvaal Goldfields have since witnessed the repeated and brilliant triumphs of the chemist and metallurgist no less than of the keen financier and business man; and to Bettel, Williams, Butters, Feldtmann, with a host of others, is due the position now definitely attained as a gold-producing district, quite as much as to Barnato and those who financed the work. The aim from the first was, of course, to extract the very last grain of gold from every ton of reef mined. This has not yet been accomplished, although Charles Butters claims to have obtained a ·997 extraction, but the years of work and experiment have brought it very near accomplishment. At the beginning of 1890, however, the men of the Rand were face to face with the fact that, in spite of their undoubtedly rich reefs, they were only able to secure twenty-five per cent., in some cases less, of the gold contained; and that the enormous cost of the heavy machinery, its carriage to the mines and erection, together

with the high wages for white and black men alike, made the expenses of mining so great that this return could not leave a profit. It was very much the case of Kimberley in the early days, when the yellow ground failed and the water and reef troubles threatened, but with this difference: that whereas the diamond-mining industry nearly collapsed because of the cost of mining, plus an honest belief on the part of the majority of diggers that the diamondiferous ground was nearly all worked out, there was on the Rand proof that the gold-bearing reefs continued for hundreds of feet deep, but the cost of winning the small percentage of gold obtainable was prohibitive. Bearing all this in mind, it is scarcely to be wondered at that the slump which commenced in March 1889 continued for two years, until indeed it was made evident that the gold mining on the Rand was beyond all doubt going to pay.

During all this time Barnato never lost confidence. His speech at the commencement of the slump, when Mrs. Barnato laid the foundation stone of the Barnato Buildings, has been quoted at the end of the previous chapter. It doubtless seemed to many of his hearers then, that for him to say: "I have never made any mistake in speculation, or in the investment of money," was merely the boastful utterance of a man who had his own reasons for desiring the inflated prices of boom times to come back again; but to all who can now look back on the eight years that have elapsed, that speech was pregnant with prophecy to be fulfilled to the utmost. He had been tardy to believe in the Rand, but once a convert his faith knew no doubt. To all the difficulties that were encountered he had one unvarying answer:

"The gold is there, in the earth, beyond a doubt; money and patience, money and patience, will overcome all difficulties here, as they did at Kimberley."

Therefore, because of his unswerving faith, he not only pushed forward the development of his mining properties

until they had become assuredly gold-producing and profitable; but he built, amid the sneers of the many, his Barnato Buildings, with a hundred suites of offices, a great stock exchange hall with more outside offices and shops, a great market hall 350 feet long, and laid out his building land in suburbs with streets and plots marked off ready for purchasers. Men were leaving the Transvaal, businesses were being shut up, several of the now South African millionaires were living on small monthly allowances made by the banks who had supported them, and still sorrowfully and fearfully held their scrip; he made ready for the time when there would be eager competition for his suburban building plots, his offices, and the stalls of his market hall. It came in time as all know now; the sun did break through the clouds as he had said that it would; the money rolled into his coffers, and the people who had neither memory nor foresight, held up their hands in astonishment at "Barney's luck, just the same as ever." Was it luck?

It was at this period of universal despondency that Barnato acquired preponderating influence in the Johannesburg Waterworks Company. He told me himself during one of our early morning walks through his Berea Park at Johannesburg in 1895, how and why he did this.

"You know that Sivewright was one of the early ones on the Rand.

"Well, early in 1887, before my first and unfortunate visit, he had sized things up, and had come to the conclusion that there was going to be a great city here which would have to be supplied with water; and that since the water would have to be sold by some one, he might as well be that man. To begin in a small way he bought the Doornfontein springs and some other water rights, and then at the beginning of, or, at any rate, early in 1888, he formed a company in Kimberley to work the business. Strange isn't it to remember now, that in those days Kimberley was the financial centre of this part of Africa; but it was, and not only the

Waterworks Company, but several of those which are great companies at this present time, were not only financed from Kimberley, but had their head offices and management there. I changed all that. Sivewright formed his company, as I say, in Kimberley, with its offices there, and most of the shares held there too. Barnato Brothers had a small share in the concern, more because we were asked to subscribe than for any other reason I fancy. I had nothing to do with it personally, for I was up to the neck in the amalgamation work then, and did not think much of the Rand either. He got to work. Dunbar from East London was his first engineer, and the springs were opened out, reservoirs planned, pumping machinery erected, and pipes laid for supplying the town. It was in August or September that there was a great function here at the laying of the foundation stone of the service reservoir. Sivewright presided and was in great form; if he had been talking to sell his vendor's shares, he could not have done better. I remember it was just before the work for the Kimberley election began, and there had been a good deal of talk as to the possibility of Sivewright standing for Kimberley.

"Well, the stone was well and truly laid, and all the shareholders were congratulating themselves on the good thing they had got hold of. When I came up here after the election all was going well, and the only complaint was that the water leadings and connections were not made fast enough.

"In March 1889 came the great slump. It did a great deal of good to the Rand by clearing out a lot of the rubbishing companies that had been floated under cover of the boom, but it ruined the Water Company, In the first place they had not sufficient working capital to meet the heavy cost of pipes and machinery brought over 800 miles of railway and 200 miles of South African waggon roads; and then as they were depending upon the rent of building sites for a good part of their income, when the slump came lots of men left, those who

stayed could not pay, and this failed them. Their works were then unfinished and of little use, they tried to raise further working capital and could not. Why! there are firms here now and doing well, not only mining men but storekeepers, who were then established, and who absolutely refused to put another pound into the business to tide over the bad time. I tell you that these men shrugged their shoulders at the idea then, and were rather inclined to pull down their stores and trek back to Kimberley, they had so little faith in the gold-mining ever paying permanently.

"Well, I had faith, as you know, and at last it came to such a pass with the company that they not only could do nothing more, but they couldn't even pay for what they had bought. The next step would have been a forced sale under liquidation. Then I stepped in, and virtually bought the whole concern up, lock, stock and barrel.

"Why did I do this? I'll tell you. I knew this place was going to be great, even now we are only at the beginning of it. I tell you now I knew, and I told the men of the Rand then that I knew; but they wouldn't believe, even though they saw me every day putting more and more money into the place. Water companies were not much in my line, but I could see this plain enough; that while the slump in itself was bad enough, if the water supply stopped then the town would be uninhabitable, and would be ruined.

"What! you ask why did not others who had interests in the place step in and help? I have told you they funked it. They thought they had lost heavily and were afraid of losing more. I have never been afraid of losing my money, or I should not be where I am to-day. All these men who cry down my water company to-day, in order to bring their own rival schemes into notice, were here then, but they had not a word to say. Well I practically bought the company up, set it on its feet again, and actually kept the works going out of my own pocket until it was able to pay its way again. I saw that with the heavy working expenses the profit from water

alone would be small, so I added to its landed property, and not only made both ends meet, but got a respectable dividend out of it.

"Now I tell you honestly I did not do this because I saw it would be a good paying thing. Of course I should not have done it if I had not seen a profit sticking out, but that was not the reason; for I could have made more money by bringing in other water. I did it as a pledge of good faith to those of the public who supported me and followed my lead. I am proud to say that there were then—and there are many more now—thousands of men who went in for things that had my name to them, just as others always backed Fred Archer's mounts. I had come late to the Rand, but when I did come I put my money in everything I cared for, and people followed my lead. I reckoned it up then this way: that if I kept the water company going, it would be a greater proof of my good faith and belief in the place than anything else I could do. I did it, and it answered. The company has been more trouble to me than any other of my undertakings. It has cost me more for time than I shall ever get out of it; but mind, I don't regret it, and would do the same over again. D'ye follow me?

"I did think once of buying up the whole of the Rand, and in that slump, if I had chosen to let the water company smash, and the place be wholly ruined, I could have bought it up in three months on my own terms; but my business has always been fair and square. All who went in with me had to take risks as I had, but I have never doubled on any one who trusted me."

The Water Company of Johannesburg, its troubles and difficulties, was a frequent theme with Barnato when he was willing to talk at all; but never did he on any other occasion speak so freely concerning it, at least to me.

In 1892, Barnato himself engaged and took to South Africa the most experienced mining engineers he could procure from the United States, viz., John Hays Hammond, J. V. Clement,

O'Connor, Starr and others, to reorganise the working of the mines.

I am glad to be able to quote in this place from an article on Barnato and his career which was published in *The Star*, Johannesburg, on January 10, 1890. It is an excellent summary of his position on the Rand at that time. The only important inaccuracy is the statement in the early part of the article, that Barnato landed in South Africa "with the proverbial half-crown in his pocket." The last paragraph is as follows :

"Having consolidated his diamond interests and placed them on a sound basis, he turned his attention to the Witwatersrand Goldfields, as the result to a great extent of the representations made to him in Kimberley in March 1887, by Mr. R. C. Stroyan. Mr. Barnato, however, had still a fight to be fought which delayed him some months—viz., for the representation of Kimberley in the Cape House of Assembly ; when, out of seven competitors from amongst the leading men in Kimberley, he was elected at the top of the poll by a majority of about 500 votes. In the meantime Mr. Stroyan returned to the Rand and his firm negotiated for some of the best properties here, including the Glencairn, and prepared the way for Barney's arrival. After his election, he at once started for Johannesburg, and in two days became one of the leading figures here. He purchased ground in every direction at what were thought high prices at the time, but which purchases would to-day realise more than treble the amount paid. He floated the Johannesburg Estate Company (which absorbed the Exchange Buildings Company), the Consolidated Investment Company, the Barnato Buildings Company, and the Waterworks Company, besides floating and reconstructing some of the leading gold-mining companies on the fields. It is said that in two months he put over two millions of money into lands and gold properties. His interests in the Transvaal are now gigantic ; and his profits, realised and prospective, may be described

in the same term. Without doubt the increased value of landed property is largely due to Mr. Barnato.

"Not in the commercial world alone has Barney shone. Besides being a most brilliant financier, he was, in the earlier days of the Diamond Fields, the best amateur boxer in Kimberley; while to this day, such a favourite is he as an amateur actor, that as Matthias in 'The Bells,' Kimberley will not recognise any other."

On January 25, 1890, Barnato, with Mrs. Barnato and Woolf Joel left Johannesburg by special coach, and duly arrived in Kimberley on the way to England on the 27th. The Transvaal interests of the firm of Barnato Brothers had been thoroughly built up; the firm was well represented at Johannesburg with a complete office staff (the principal members of which are still there), and all the establishment necessary for the chief branch of such a firm. For a time it was considered that the interests of Johannesburg would be best served in London, by close attention to business there.

The Transvaal *Truth* in its issue of January 18, published the following paragraph:

"Mr. and Mrs. Barnato, accompanied by Mr. Woolf Joel, leave the Rand on Saturday next. They propose remaining in Europe some eight months. Barnato Brothers have invested enormously in the development of these Fields, and have brought in still greater sums by the firm's reputation for shrewdness and success. Despite the envy and malice which attend every successful man, that shrewd, humorous, and even-headed Barney carries with him the goodwill and good wishes of respectable Johannesburg. *Bon voyage* and *Au revoir* to him, his charming wife, and nephew—South Africa's 'coming' man."

On the Thursday preceding the departure from the Rand, Barnato, ever ready for fun and to provide it, took part in a cricket match played on the Wanderers Club ground—Veterans *v.* Veterans. The following report appeared in the *Golden Age* on the following day:

"The match, aptly styled 'Veterans *v.* Veterans,' was one of the most amusing afternoon entertainments that has ever taken place on the grounds of this popular club. To see such old stagers as Messrs. Stransky, H. Mitchell, H. Mundt, B. Barnato and H. Dell in the field gave promise of plenty of sport during the afternoon. Nor were the public disappointed; for to see Barney and Stransky both chasing the ball and playing football with it, and to see the popular 'Barney' chasing the ball for about a dozen yards on his hands and knees, and then crawling round a telegraph-post to finally get at it was good. He also had the honour of making the winning hit, and was run out immediately afterwards. On his return to the pavilion he confidently whispered to a friend that he was just beginning to knock the bowling about, and it was foolish to run him out."

Possessing a keen sense of humour, ready wit, perfect physical health, and unimpaired vigour, Barnato frequently carried his fun into his business; but, unfortunately, he always carried his business into his fun. He crowded the work of twelve good men into his few short years, together with all their possible amusements, but without one moment of real relaxation to the end.

"Other men either work or play," he said on one occasion. "I always work and often play too. That's where I get the advantage."

I am indebted to a friend of the stage for the following anecdote, which I believe refers to the January 1890 coach journey to Kimberley. This gentleman visited Johannesburg in 1895 and as I was showing him round he said:

"I was here before in the early days when you had many tin houses but few buildings, and had to play in what was called a theatre. As we came here from Kimberley by coach, we met the returning coach at some miserable stopping-place with an unpronounceable name, and found it crowded with Lionel Brough's crowd. We fraternised of course at once, and amongst questions asked and answered as to prospects of

business, theatre accommodation, &c., we learnt that Brough had with him a quantity of scenery and props which he did not want, but had been unable to sell at Johannesburg. At that moment Barnato drove up on his way back to Kimberley and at once joined us. He was always a good friend to the profession, and out there with the heavy travelling expenses between the mining camps, the hard work, and other uncertainties, we often wanted such a friend then. When he heard of the scenery he said: 'Come on, Brough, I'll put it up to auction.' We all adjourned to the open veld, all the cloths and props were spread out to view, and the sale commenced. It was one of the most amusing things I ever saw. Barnato made of it a monologue in the style of Charles Matthews, even to that 'now do let me get a word in edgeways' in 'My Awful Dad,' and bought in everything himself. We all enjoyed the joke tremendously, but to our great surprise he paid Brough the really good prices at which he had knocked the lots down, and made them a present to us in the most kind manner at the very last moment as he drove away. Many a professional has been indebted to Barnato for personal kindnesses that the world will never know of. More power to him and long life."

CHAPTER IX

PRESIDENT AND FINANCIER

Barnato's relations with the Transvaal Government—The Transvaal Company Unlimited—From the President's point of view—About concessions—The President and the Judges—The Netherlands Railway Company—Railway negotiations—Position of Johannesburg—Between the lions

With the Government of the Transvaal Republic Barnato determined from the earliest days to keep on the most friendly terms, and in this he was entirely successful, except during the stormy days which followed the sentencing of the members of the Reform Committee of the abortive revolution of January, 1896. His own words, uttered as late as 1895, are the very best possible statement of his whole policy with regard to Pretoria.

"The Transvaal Government is like no other government in the world. It is indeed not a government at all, but an unlimited company of some twenty thousand shareholders, which has been formed to exploit a large territory, and after being unable for thirty years to pay any dividend or even to pay its clerks, suddenly struck it rich. There was neither capital nor skill in the company itself for development, and so it leased its ground to those who had both."

"And you negotiate on this basis, then?"

"Yes, I stand for my shareholders to do the best I can for them—to get all that is to be got. Krüger the President—and I am glad there has been no other President in my time—is simply Chairman and Managing Director, with his Executive

Council as the Board, and the State Secretary as General Manager. Of course Krüger always endeavours to do the best he can for his shareholders, the Burghers. They had a hard time in the early years, and he thinks they are entitled to all they can get now. That is all right and quite in my line. Through my companies, and those I am interested in, I have often to see the Managing Director of the parent company, and we always get on all right."

"That means you get what you want?"

"By no means. I am a good man of business, I hope, and know exactly what is best to be done for my shareholders, but so is he; and he will never do anything that is not, in his view, for the benefit of his shareholders. So we talk on quite a business footing, and then politics never trouble us."

"Then what about the National Union demand for the franchise, and the doctrine of 'no taxation without representation'?"

"I don't care a fig for doctrines, and if you'll just keep that word politics out of your mind you'll see the whole thing as clearly as I do. If I had a company going on all right, and shareholders satisfied, do you suppose I would do anything that would bring in a lot of fresh shareholders? If there were men who wanted to come in, and had already given themselves away by criticising the management, do you think I would have them at any price so long as I could keep them out? Not much. That is Krüger's position and the Transvaal question together."

"Then in your opinion President Krüger is doing the best possible, as a good business man, for his Burghers?"

"No, I don't say that. He is doing well according to his lights, but he is not doing nearly so well as he ought to because he is afraid to incur any risk, even where profit is certain. If I had a company paying twenty per cent., and twenty-five per cent. was possible by an increase of plant, my shareholders would have the twenty-five per cent. Look what happened in the Raad this session. The Pretoria townlands

are known to be gold-bearing. Their wealth has been proved. For the fourth or fifth time a proposal is made to proclaim them under the Gold Law, and Krüger goes to the Raad specially. With tears in his eyes, and every dramatic effect, he implores the members of the Raad not to agree to the proclamation because, mark you, 'there is too much gold in the country already,' and the Raad, in deference to him, declines the proposal. Then, again, we have an unlimited amount of low-grade reefs which cannot at present be worked with any satisfactory margin of profit. He knows quite well—I have myself put it to him more than once—that if our working expenses were lessened by a reduction of the taxes on foodstuffs and better management of the railway, the amount of capital invested at remunerative rates would be trebled, and the net revenue of the Republic would be tremendously increased. He says that if the taxes on mealies and forage are reduced his farmers will not get such good prices, and that it will cost so much more for extra police to keep new goldfields in order. I wish he would see that the liberal policy would pay him best and certainly. But, there, his great dread is of fresh shareholders coming in to disturb the present management, and from his point of view he is quite right."

"If Krüger and his Executive Council are the Board of Directors of the Transvaal Unlimited, with Leyds as General Manager, what function does the Raad play?"

"Oh, that was the Committee of Inspection appointed by the shareholders when things were a bit crank. It is of use now to support the Board and prevent special general meetings."

Barnato's interests in the earlier Transvaal mining operations, and at Barberton, were small, for the quartz mining did not commend itself to him; but from the discovery of the Witwatersrand Goldfields he was frequently in residence there, and therefore closely in touch with Pretoria. His business, his companies, his industrial undertakings were the sole object of his frequent visits—never things political—and therefore

he was welcome always. The President also appreciated the fact that Barnato did his business in person, and not by deputy. Speaking to a deputation which waited on him at the end of December, 1895, he said:

"When Mr. Barnato wants anything, he always comes to see me himself, and we talk it over; but —— —— and —— always send some one else, unless they want to talk about what they call their rights, and then they all come together."

On two matters Barnato found himself opposed most strongly to Pretoria. One, which may be numbered among the customs of the place, was the granting of concessions to all and sundry who by influence could beg, or by money and promises could buy; the other was the deliberate policy of the President to subject the Courts of Law of the country to the control of the Raad and the Executive Council. He averred that the only concession he ever wanted was for the supply of water to Johannesburg, and this was a very different affair to concessions of the sole right to make jams, dynamite, and cyanide of potassium. On one occasion he was discussing the general question of concessions and State monopolies with the President.

"Whatever is the use, Mr. Krüger," he said, "of granting a concession for the manufacture of cyanide of potassium? Bad cyanide is of no use to us for gold extraction, and to make good cyanide requires great technical skill, elaborate apparatus, and special materials, all of which will have to be imported. It is not even on the same footing as the jam concession, for that might use up the fruit of the country, if your Burghers would grow fruit, which they don't. The only result will be that when your concessionaire has his cyanide factory, you will impose extra import duties on the stuff to force us to buy from him, and our cost of working will be further increased."

"Ah," remarked the President, with his rare smile of superior wisdom, "but the gold industry might fail, and then we should have the cyanide factory."

"Of what use," said Barnato in telling the story, "is it to talk to a man like that?"

The interference with the Courts was a matter of much greater moment. The President's opinion, frankly and clearly enough expressed, was, and apparently still is, that as the Raad made the laws, it was the proper authority to interpret them; and that when the Supreme Court of the Republic decided questions of law, a Minute by the Raad should if necessary be the superior and final authority. From time to time Burghers of the Republic who have been aggrieved at decisions of the Courts, have appealed to the Raad for redress, and there has been frequently manifested a strong inclination to deal with the petitions. The most glaring attempt to influence the course of law that any legislature has ever been guilty of was recently made by the Raad, when a retrospective clause was introduced into a new patent law while a celebrated patent case involving over a million of money was before the Courts. The attempt to introduce the retrospective clause was happily defeated, though only by the casting vote of the Chairman of the Raad.

"That such an attempt to interfere with the course of justice should ever have been made," said Barnato, "adds great risk to the investment of capital in the Transvaal, and opens the door to underhanded attacks on vested interests which, if successful, would render all business uncertain and unsafe."

On another occasion he declared that it was his influence, and all the weight that he could bring to bear, that so far influenced the voting as to give the Chairman the opportunity of casting his vote against the iniquity; and he rejoiced that he had been able to avert such a disgrace from a country by which he had done so well.

When discussing the chances of the last election for the Presidency of the Transvaal Republic, he said:

"I hope Krüger will be returned again. He is not all that

we want by a long way, but he is the best that we can have with peace at present. No man has ever had a more difficult work than he has had for the last twenty years. The Transvaal Burghers are a mixture of many interests and practically three religions; and they are united only in their opposition to the strangers within their gates, who are making money for them and keeping them solvent. The old man has kept his team together and has them now well in hand: we don't want to swap coachmen at this or any other river."

"The Transvaal Gold Law is," he declared, "entirely satisfactory. The licence fees press a little heavily, perhaps, on individual miners and on poor companies, but then the nature of gold-mining in the country is generally such that the individual and the poor company have neither of them any chance. The reefs can only be worked to advantage by wealthy companies with complete equipments. Yes, I remember the monthly claim licence fee was a pull on some of the men who got hold of good things in the early days, but there was always plenty of money ready when a man could show that he had something good. I remember poor old Wemmer sitting disconsolate outside his hut, where the head-gear of the Wemmer Mine now stands. He was stone broke, couldn't trace the continuation of his reef, and was in arrear with his licence fees. The next day he found the reef again quite by accident, and the same evening stood champagne to the camp. Eighty thousand pounds, I think it was, that he sold his ground for, to the Wemmer Mine Company soon after. He was able to pay in time and came out all right. Many men and some companies have not been able to pay to keep their rights and have lost them. Well, why not? If I rent an office and don't pay the rent I've got to quit. If I do a good business at the office, perhaps the landlord raises the rent on me. The Gold Law doesn't raise the rent."

The management acts and tariff of the Netherlands Railway Company, which nominally owns and controls the whole of the

railways of the Transvaal, constituted in Barnato's opinion the most legitimate grievance that the mining companies and the new population of the country suffered under. The company was formed in Amsterdam, and is still nominally a foreign corporation with its only board of directors in the capital of Holland; but the Transvaal Government is the largest shareholder and exercises a paramount control through its Commissioner of Railways, while it has the right of expropriation at any time, the purchase price to be calculated on the average net profits of the last three years. During Barnato's 1895 visit to the Transvaal the railway management and charges occupied a great deal of his time and attention. In the earlier days the Netherlands Railway was merely a large steam tram line, extending along the line of reef for some thirty miles; but when the junction was effected with the Cape Colony Railway system in 1892, giving direct communication with the sea even though at a thousand miles' distance, it became an important factor in the development of the mining industry. When the junctions had also been effected with Delagoa Bay, the nearest seaport less than four hundred miles distant, and with Natal, the railway became still more important. The tariffs were, however, maintained at an absurdly high rate, no less than threepence per ton per mile being charged for coal, and other things in proportion. In 1895, after all the junctions had been effected, it became evident that the Pretoria Government was not merely endeavouring to charge the highest possible tariff for the sake of profit, but was endeavouring to make differential rates in favour of Delagoa Bay as against the Cape Colony and Natal ports. A concession had even been granted to an American syndicate, which was nominally for the importation of timber for mining purposes, but was extended to cover practically all kinds of merchandise; whereby, however much the Cape Colony and Natal might reduce their rates to secure such share of traffic as they could by legitimate competition, the syndicate would always receive over the Delagoa Bay route

rates twenty per cent. lower. The vessels of the syndicate were also bound to deliver Transvaal goods to no other South African port than Delagoa Bay. Of course the mining industry of the Transvaal, as a series of purely business propositions, had no concern with anything but the best, shortest, and cheapest route for trade; but Delagoa Bay was so handicapped by the absence of landing facilities, and such very great delays were caused by this and by the scarcity of rolling stock on the single line of railway, that the attempts to divert traffic to it by differential rates caused the greatest dissatisfaction. Then, again, practically the whole of the trade of the Transvaal of whatever description is conducted in the English language, and certainly ninety per cent. of those engaged in trading operations had and have no knowledge of Dutch. Yet no sooner were the junctions all completed, and the Netherlands Railway Company began to feel its feet, than all the English and English-speaking employees were replaced by Hollanders specially imported, many of them with no knowledge of railway work. Barnato was known to be a welcome, indeed an honoured, visitor at the Pretoria White House, and rumour had it that he was a peculiarly successful negotiator there. It was known to all men that he would never plead at Pretoria for political privileges, but it was at this time desired by the leading men of all the representative commercial associations that he should endeavour to persuade the President to a more liberal policy of railway management—to show him, in short, that while taking ample care of his own pet company, it would be perfectly safe to leave trade to choose its natural routes. In his mining interests, then about to be consolidated, and in his industrial enterprises, Barnato had the strongest motives of self-interest to urge a liberal railway policy; and with the projects he had then in hand he was particularly anxious to stand well with all men. Nothing then was wanting to urge him to take up the railway question, and he went into it thoroughly. Men from the Chamber of Commerce, Chamber of Mines, and the

Mercantile Association, who came diffidently to coach him in traffic returns, time-table rates, and delays, found to their amazement that he had at his finger-ends and instantly available the special information and details of which they desired to give him elaborate memoranda. Four times he went to Pretoria to deal specially with the railway questions, and to urge upon the President the great advantages that the Republic would derive from the immediate expropriation, instead of deferring it until the purchase price was trebled by the inevitably increasing returns, and every visit was absolutely without result. He was never able, even in private conversations with the President, to discuss the subject, for every mention of it was met with:

"That is a matter for the Netherlands Railway Company, with whose management of its own affairs we have nothing to do. You had better see M——, the manager."

To any reference to the advisability of even considering whether the company should be acquired by the State, the stereotyped reply was:

"You see, the Netherlands Railway Company is only now beginning to pay a dividend, and if the gold-mining ceased we should again have an unprofitable railway undertaking."

"I have never," said Barnato, "been more completely nonplussed over anything than by the Pretoria people in every attempt to talk on the subject. They never gave me a chance to show that I know more about their own railway than they know themselves."

At first he certainly thought there was nothing more in this than the President's personal unwillingness to risk anything in a business he did not himself understand, and where a large profit was already certain even under the management then obtaining. He afterwards learned that there was a deeper motive, for when, during the 1895 session of the Raad, a member was induced to bring forward a resolution advocating the immediate expropriation of the Netherlands Railway Company, the President at once went to the Raad

and in secret session implored the members not to be so misled by interested adventurers as even to discuss such a proposition. To buy the railway would be to strike a blow at the independence of the State, for:

"They could do many things through the company which they could not do themselves because of the Convention."

"There," said Barnato when he received this information, "I felt sure there was some very special motive in blocking me every time. If the Pretoria people will mix up trade and politics in this way they will burn their fingers very soon."

Five months after this was said came, in October 1895, the Drifts episode, and short and sharp the ultimatum from London.

"Do you know what this railway matter means to me?" he said sharply one morning after skimming the report of a Mercantile Association's meeting, at which railway mismanagement and delays were the sole topics of discussion; "Why, if they would carry coal, as they ought to, at one halfpenny a mile, extend their system by another line, and look after their business as I look after mine, I should be able to spend two millions a year in developing low-grade properties that would now barely pay."

In the welfare of the town of Johannesburg itself he had a very keen interest, for though he never cared for it as a place of residence, and it had no close association with his early struggles as Kimberley had, he was personally, and through the companies he had founded, the largest holder of real estate there. During the first year or so from the foundation of the town it was quite right and reasonable that the Government of the Transvaal should regard it as a mining camp only—a place to which there is a rush to-day, but which will perhaps be a howling wilderness of deserted sheds in another twelve months. Experts, geologists, and all the people who ought to know, ridiculed the idea of permanence at that time, and even in 1889 only Barnato and a few plain business men with strong instincts for wealth had confidence

in the future. It was not surprising, then, that the erstwhile farmers and hunters, who had the supreme authority, should distrust the golden future; but when the town was eight years old, possessed huge brick and stone buildings, a population exceeding a hundred thousand people, and a network of streets and roads extending over fourteen square miles, with the certainty that the reefs would not be worked out for a hundred years, it seemed absurd to maintain any longer the theory and conditions of a mining camp. Yet on this point Pretoria was obdurate, and the determination appeared to be that no measure of self-government was ever to be allowed to it. The President declared that the sole object of those who desired the establishment of a municipality was to erect a State of their own within the Republic, and so Johannesburg was permitted only to have a Sanitary Board with such limited powers as would enable it to clear some of the dirt from the undrained town. The police were a semi-military government force, the magistrates or landrosts were government officials; and everything connected with the town, even to the proper scale of cab fares, had to come before the Executive Council of the Republic.

Barnato strongly desired to see a full measure of local government granted. He looked forward to the time when Johannesburg should have its own mayor, aldermen, and councillors, quite on the English plan; but he never asked for it, never even in the most general terms, in his Pretoria conversations, hinted at the desirability of such a thing.

"If Johannesburg keeps quiet," he said, "all will come right in time. Some day the Executive Council will tire of having under consideration for two years a scale of cab charges, or the exact procedure which the police are to adopt towards street gambling booths and houses of ill-fame. Then they will forget their fears of a rival State, and perhaps give wider powers than any other country in the world has yet delegated. To worry and agitate for municipal government yet is to defeat the very object aimed at, for the

Pretoria suspicions that some other and very different designs are in contemplation are thereby strengthened."

After the turmoil of the Raid was over, after sentences had been delivered and duly commuted, and when the angry feelings had subsided, Barnato made his peace-offering—a pair of white stone lions to ornament the stoep and entrance of the Pretoria White House. The lion is an important figure in the Transvaal coat of arms, and the President, much pleased at the gift, very graciously accepted it. A recent photograph shows him on the stoep, his customary Hall of Audience, with a lion showing on each side. He may remember, comfortably seated there now, in the cool peacefulness of the South African early mornings, that they were the gift of a man who knew and appreciated all the difficulties he has encountered, who foresaw many of those to come, and who was never impatient because the quondam farmer did not move and decide as rapidly as the acutest of business men.

CHAPTER X

DEVELOPMENT OF THE RAND

Barnato's position—Advancing the railways—Johannesburg 1892—Meeting waterworks shareholders—A specimen of his work—The Consolidated Investment Company—The rarest success of all

Barnato may not in 1890 and thenceforward have attained quite the summit of his ambition, but he was, with Rhodes, a dominant factor in South African finance and an important factor of the London market. The Barnato millions were not, however, entirely derived from the buying and selling and the general trading operations of the most important member of the firm, even though these included such transactions as the purchase of a parcel of diamonds for a million and a half of money. He added to his marvellous ousiness instinct and capacity for figures a genius for stock exchange manipulations, which made him the most important operator in Kafirs, until no one could hope to bring out a new venture, no matter how good it might be, without his help to make the market. In every good thing he had therefore to be considered and consulted, and let in, to secure his help. The result was, as he himself frankly admitted, that he made more money by aiding or frustrating the plans of others, operations in which he never appeared at all, than by the long years of unremitting attention to his own projects. In this connection he achieved some remarkable deals, and the scale and apparent recklessness of his operations were such as struck awe into more ordinary men. It has before been said of men that all they

touched turned to gold; but it was to no fabled converting touch that he owed his success, nor, as others phrased it, to "Barney's luck," but to the unsparing, unceasing toil he devoted to every detail of his business, to his power of concentration, and to his grasp of detail.

From this time forward it was a matter of business necessity that he should spend some months of each year in London, and not merely come over when he had special business on hand. South Africa, however, remained his home, his place of domicile, as it had been from 1873; and every session of the Cape Colony Parliament to the end of his life found him in his place in the House of Assembly as the senior member for Kimberley, even though he did not sit out unimportant debates in which neither he nor his constituents had the least interest, and never aspired to head the divisions list.

In the negotiations during 1891 and 1892, which resulted in an agreement concluded by Sir James Sivewright on behalf of the Cape Colony with the Transvaal Government for the extension of the Cape Colony main railway line to the Rand and Pretoria, Barnato played an important part. The President was strongly opposed to any railway connection with the Cape Colony at all, and at any rate insisted on his own pet enterprise, the Delagoa Bay line, which did not touch British territory, being first carried through. But Barnato's strong Pretoria influence was wholly used to support Sivewright's bland persuasions, and resulted in an agreement being arrived at, under which the railway connection was first made with Pretoria, and then a branch line was laid to Johannesburg. On the Rand the arrival of the first locomotive was an occasion of great rejoicing, for the days of the ox waggon were regarded as past. It was not until July 1895 that the Delagoa Bay line finally reached Pretoria; and a few months later the last bolt of the line connecting Natal with the Transvaal was also screwed home, thus completing three railways to the sea.

In November 1892, after Sivewright's railway agreement

had been finally carried through, Barnato arrived in England, and in an interview with a representative of the *Financial News* made the following statement:

"Everything in the position and outlook in the Transvaal was very bright when I left there a month ago, and I attribute this, to some extent, to the arrangement between the Transvaal Government and Sir James Sivewright, the present Commissioner of Crown Lands, whereby direct railway communication between the Cape Colony and Johannesburg has been established. By this union of interests the friction which hitherto existed is wiped out. The loan brought out by Messrs. Rothschild has also improved the financial condition of the Transvaal, and given the general public more confidence. As far as the permanence of the gold-mining industry is concerned, that is guaranteed. It has taken time to put down stamps and machinery and secure good management. The companies are now getting the benefit of this preliminary work. The Rand is one of the greatest goldfields the world has ever seen, and its position is unequalled. There is plenty of coal and water on the spot, the climate is healthy, they have direct railway communication with the coast, and as to economical mining, it has been proved that in some cases a profit can be made out of a yield of only 5 dwts. of gold per ton.

"The September output of gold, 107,850 oz., was certainly not a specially engineered flash in the pan, as you seem to suggest. Two years ago, when the monthly output was a little over 40,000 oz., I predicted that it would reach in another two years 100,000 oz., and I am glad to see that my prophecy has come true. To-day, considering that in some cases the deeper the mines go the richer the ore, and with the extra yield from the cyanide process of treating tailings, I have no hesitation in expressing my opinion that in another two years the monthly output will be nearer 200,000 oz., or close upon £8,000,000 a year.

"You ask what Johannesburg looks like now. The best

proof of the permanence of Johannesburg is its suburbs, which might be compared to Sydenham. The houses that are being built are very different to what were put up in the early days. The private houses now being erected, for which there is a demand, cost from £1000 to £4000 each.

"I am equally confident about the diamond industry. The position of the De Beers Company was never stronger than it is to-day. The demand for diamonds is greater than the production, and the prices are as high as ever they were. The resources of the company are being strengthened by increasing its holding of Consols and other Government securities, while its debentures are being redeemed and the Wesselton Mine has been paid for out of profits."

During the months of Barnato's absence, there had been much anxiety amongst the Home shareholders as to the position and prospects of the Waterworks Company. A special meeting was therefore now called to hear statements made both by Sir James Sivewright and Barnato, and was held at Winchester House on November 23, with W. Garland Soper, chairman of the London directorate of the Company, in the chair. There had been plenty of people ready to discredit the prospects of the Company, and there is no question but that the shareholders gathered together in a frame of mind decidedly hostile, especially to Barnato. Sir James Sivewright spoke first and at considerable length. Then Barnato rose, with the small pieces of paper in his hand which sufficed him for the most lengthy and elaborate statements:

"Mr. Chairman, Ladies and Gentlemen,—I think I can add little after the able and eloquent speech you have listened to from my friend Sir James Sivewright. Still, I may place before you a few facts as far as the internal work of the Company, with which my friend is not so intimately acquainted as I am. Gentlemen, like my friend here, I am prepared to bury the dead and let sleeping dogs lie; still, at the same time, I shall never forget the part I have played in

the past, and now a few words in reference to the future of this Company. My friend Sir James stated this afternoon that he was the original founder of this Company. In that foundation I had only a very small part, but I claim to have had a very great interest in your Company since, for it has been a baby that I have nursed; and I am proud to say I nursed it throughout the whole of its sickness, and it was at one time very sick indeed. I had to meet you on a certain occasion once before, and I may say that most men—men with a less determined spirit than I have—would have avoided that occasion, knowing as I did that it was a time of trouble. When I came home to London last time, my friend Mr. Soper, the present Chairman of the London Committee, prevailed upon me to address the London shareholders, and to meet them face to face. Well, I will tell you candidly, circumstances had then arisen in South Africa which endangered our estate, our property was more or less in a state of liquidation, and I was not very anxious to meet you; in fact, our shares stood at a price that would have made few men anxious to meet a body of London shareholders in a Company on the verge of liquidation. Indeed, my own brother, the senior partner in the firm, when I told him that I was going to address the London shareholders, said: 'What case have you got—what can you tell them?' I said: 'We have a very fine property, a brilliant property, and although Johannesburg is not very bright to-day, I am satisfied that our future prospects will look bright one day.' Still, my brother was so sceptical of the reception I was likely to receive that he took a trip to Brighton. What was the result? I came here when there were something like 600 or 700 ladies and gentlemen present. I boldly addressed you. Certain questions were asked me, and I told you I had great belief in the future of the Transvaal. I warned you that we had to contend against rival companies, and, consequently, to some extent we had gone a little out of our depth, and so we had. We had borrowed money when our credit was good,

for the banks knew we were a fine Company, and they advanced certain money; but, unfortunately, a cloud came over Johannesburg, and the banks called upon us without any notice for this money. To show you what confidence I had in the Company, I advanced the sum of £30,000 before that meeting; and when I met the shareholders, and was asked what I thought of the future, I told them that although our Company was almost in liquidation, and our estate was in danger, I would, if they gave me time, go out to South Africa, and wipe away all these troubles. I went out to Johannesburg, and saw Mr. Bezuidenhout, the owner of the farm, and went into all these matters with him, telling him ours was not a gold company or a speculative one, but that it was formed of people who were satisfied to receive a certain amount of interest. I placed the case before him, and said: 'Now what will you take to withdraw all litigation; how much will you take for your estate?' Well, I think you will admit that I am a man of some little business capacity, and after going over the whole question with Mr. Bezuidenhout, I purchased the freehold of the whole of Doornfontein."

Having shown his auditors a picture of Doornfontein, Mr. Barnato continued: "That is only a portion of our property, and I bought that, which is now one of the largest suburbs of Johannesburg. It is within a mile of the centre of the town, and is what you may call the Belgravia of Johannesburg. I purchased this property, and it was confirmed afterwards by the London Committee, whom I had promised before I left London to do all that I could to settle the litigation hanging over our heads; but I could not purchase the property unless it was confirmed by the Board, and I feared, when it was known Mr. Barnato was about to purchase Doornfontein from Mr. Bezuidenhout, the price of the property might go up. However, I went and saw Mr. Bezuidenhout, and you can understand what time, what labour, and what awful anxiety it gave me; because I promised you, when I addressed you

(for I felt my personal reputation was at stake), that I would, apart from any personal interest I had in the property, put this Company in a sound financial position. I have done so, and I am proud to say to-day it is one of the most prosperous Companies in Johannesburg. Now, gentlemen, let me revert to the question of the purchase of this Doornfontein property. I saw that it was in the interest of the Company to purchase this property, and I bought it for £12,500, although I was prepared, on my own responsibility, to give £25,000. This property is bringing in an annual rental of £3546, and we have the reversionary right for thirty-six years. Although the value of property in Johannesburg was at that time very low, the estimated value of the buildings on that property was something like £150,000, which I am proud to say I succeeded in purchasing for £12,000. Now, gentlemen, I need hardly tell you the value of that property to-day. It was worth, when I purchased it, £150,000, and Old Doornfontein to-day, in my humble opinion, is worth three times that, for property has increased in value ever since. We have now the reversionary rights for thirty-four years, and I think I am well within the mark, considering we are receiving a rental of close on £4000 per annum for ground rents alone, in saying that this property almost equals in value the whole of our capital. Ladies and gentlemen, let me remind you that the whole of our capital is only £200,000, and we supply with water a population of 40,000 people, and our present income is close on £40,000 a year, and after deducting all expenses for last year our profits were over £20,000.

"I don't think I shall distress you to-day by going into any question of figures, but I am pleased to say that whilst our revenue is increasing our expenses are decreasing. Our report and balance-sheet are only made up to June 30, and since then the outlook has continued to improve. Sir James Sivewright has pointed out to you that the plantation and township stand in the balance-sheet at something like £5656.

Now, gentlemen, this is a new feature in our Company, and I may tell you candidly that I was not acquainted with the fact that we had such a valuable asset until I went to Johannesburg on this last visit—the town has developed and gone ahead at such a rapid pace. I myself found this plantation, and this township was very close to the town itself—within three-quarters of a mile from the centre of the town. Sir James said he did not think Mr. Barnato would sell it for four times what it was valued at in the balance-sheet. I question very much whether the Board would look with favour on an offer of ten times that amount, and when I have quoted to you a few figures, I think you will endorse that statement.

"The plantation has been marked out as a township by our manager, and I think, at least, we can put it that it is 200 acres within three-quarters of a mile of the centre of Johannesburg, which could be divided into 1000 stands, with beautiful trees, and it is one of the healthiest parts of Johannesburg. We have had numerous applications to sell the stands, and there are those who think we should do so now. I differ, because I have just as exalted an opinion as my honourable friend as to their value, because Johannesburg is not on the decline, but on the rapid increase; and, considering that we anticipate a population of 100,000 people within a few years, I do think it would be unwise to sell the stands for a paltry amount at once when within a year or eighteen months they would be worth double or treble that amount. Now, gentlemen, I will give you my reasons. We have about 1000 stands, and they are worth something like £25 a stand. That is taking a very low value, and would give us £25,000 cash. Those are big figures, I know; but I do not speak that those here may go away and buy shares. I only speak to those who are in the possession of shares. But this £25 per stand would not mean the actual sale right out. They would be held on what you may call a peppercorn lease for ninety-nine years, and a rental of 10s. per

month would have to be paid for each. So that for that plantation, which is valued in the balance-sheet at £5656, you could get £25,000; and further, each stand would bear a rental of 10s. per month, equal for every stand to £6 per annum, or something like £6000 yearly rental. This is an asset which I believe might be realised in twenty-four hours; the stands could now be sold at the price mentioned, but I think at no distant date they would realise double that amount. That is an asset with which Sir James Sivewright is not so intimately acquainted as I am, but it is a matter in which I have taken a great interest, and as far as land is concerned our property is worth more than the whole capital of the Company.

"As regards the water, we have something like seventy miles of pipes laid, and they supply a town which to-day has something like 40,000 inhabitants. That there should be occasional complaints is only natural. I don't think I can say anything more, as I have just gone over the whole matter. I can only refer to the directorate. We have lost the invaluable assistance of Sir James Sivewright, who has given you some knowledge of the difficulties we have had to contend with in the past; but I may tell you, although we have lost the services of one Colonial Minister, we have obtained those of another in the Hon. Jno. Tudhope, late Colonial Secretary, so that it would almost seem as if our Company had some magnetic attractions for Colonial Ministers. We have the late manager of the Bank of Africa—Mr. J. H. Abel—and I am also one of your Directors, and I think I have given some service to the Company. (Hear, hear.) I wish you, too, to recognise what the London Directors have done, and I can only say that Mr. Soper, Dr. Gibbon, Colonel Fife, Mr. W. S. Watson, and Mr. Honey, have worked in perfect harmony with the Johannesburg Board. I shall not detain you any further, but I can only confirm what I said when I met the shareholders in Johannesburg; that they have reason to congratulate themselves upon the financial position of the

Company, and I honestly and conscientiously believe the Johannesburg Waterworks Estates and Exploration Company is one of the safest and soundest investments in the Transvaal Republic." (Much applause.)

I would not have it understood by any to whom the course of South African business has not been familiar, that from the considerable space I have devoted to the Waterworks Company in this memoir, it is to be gathered that Barnato gave less care and attention to his other concerns than to this. Most of his other companies were far wealthier than this, from the majority he derived a far greater profit, and to every one he gave such continued attention and careful management as would have demanded from almost any other man his whole time. The Waterworks Company, however, he regarded with special affection from the circumstances, already detailed in his own words, under which he had first assumed the control; it was the company on which he was for years most persistently attacked by the promoters of rival schemes, and I have therefore selected it as an example of his work and of his "thoroughness." One more quotation from a speech delivered by him fifteen months later in London, at another specially called shareholders' meeting, after another South African visit, and I have done with it. The meeting was held at Winchester House in March 1894, with Garland Soper again in the chair; and it was described in the report of the *Financial News* as "an informal meeting called for the purpose of hearing a statement from Mr. Barnato, M.L.A., who has just returned from South Africa." The speech was reported in the same journal as follows:

"Mr. B. I. Barnato, who was received with cheers, expressed the pleasure it afforded him to come before the shareholders in order to give them an exposition and an explanation of the affairs of the Company, the more so in view of the persistent manner in which it had lately been attacked in certain quarters. He was glad, in the first instance, to be able to tell them that the Company was in an absolutely safe position,

and that there was not the slightest reason for any fear or alarm on the part of any of the shareholders. Addressing them fifteen months ago, he told them that the Company was on a thoroughly sound and solid basis, and formed one of the best investments in South Africa; and he was now able to tell them that what had occurred since that time enabled him to more than confirm the opinion he then expressed. Alluding to the absence of Sir James Sivewright (the late Chairman of the Company), he explained that the reason for his resignation of office was due to his having accepted an appointment in the Cape Ministry; but he had recently written to him (the speaker) stating that he had largely increased his holding in the Company, in which he still took a warm interest, and which had his entire confidence.

"Proceeding, Mr. Barnato remarked that the Johannesburg Waterworks Company was one of his babies. He had a great many babies in South Africa. (Laughter.) One bore his name, and some did not. (Renewed laughter.) But this particular baby of his was the one he cherished most, and in the future of which he had the greatest confidence. In order to show the steady progress which had been made by the Company, he pointed out that the profits in 1891 were £17,450 and in 1892 £21,000, while last year their revenue showed an increase of £9,000. Although he, in common with the other directors, regretted that they were unable to pay a higher dividend than the 6 per cent., he pointed out that it was impossible, for obvious reasons, that a higher dividend could have been declared.

"One difficulty they had had to encounter had been a claim made in respect of alleged infringement on their part of certain riparian rights on the Yokeskey River. As they regarded their water rights as being their most valuable property, they did not hesitate to go to some expense in fighting the claim made against them, with the result that in the end they were successful. They had since then made such extensions in their reservoirs that they were able to supply the

whole of the requirements of the town, and further extensions were in progress with a view to conserving sufficient water to meet any unforeseen contingency such as might be entailed by a severe and lengthy drought. He was glad to be able to say that, in spite of all this increased expenditure with a view to increasing the efficiency of the Company, they did not intend to ask the shareholders for another single sixpence in the way of a call. More than that, he hoped that at their next annual meeting they would be in a position to declare an increased dividend. It was possible that in making that statement he would be accused of having come there simply for the purpose of booming the shares of the Company. Nothing was further from his thoughts; his only desire was to place before the shareholders the true facts relating to the Company, and to dissipate the alarmist rumours which had been assiduously circulated by certain parties, which, he was sorry to say, had in some cases the effect of causing some timid shareholders to get rid of their holdings. How far they were justified in that action might be judged by the fact that he made bold to say that if the whole of the assets of the Company were liquidated to-day every sovereign invested in the Company would realise 40s.

"Of course, he was far from saying that their water rights included the whole of their assets. As a matter of fact, not the least valuable of their assets was their land rights. Some years back he was fortunate enough to buy the freehold property of Doornfontein, which was a suburb of Johannesburg, and situated about a mile and a half from the centre of the town, for £12,500. The property built on that estate was now worth between £700,000 and £800,000, and the annual income received by the Company, and derivable from ground rents, was £6000. The leases on the property built there expired in thirty-three years' time, and in the ordinary course of events the reversionary rights to that property would come to the shareholders. Some representations had been made to him by the people resident there, urging the Company to

extend the leases, and that was a matter which would be settled by arbitration; so that, in addition to their valuable water rights, they had in Doornfontein a very fine landed property, bringing in £6000 per annum, with valuable reversionary rights.

"He had also bought, on behalf of the Company, another estate, called the Berea Estate, which formed another suburb of the town. So far, they had not received anything in the way of rents from that estate, although they had spent some money in fitting up a park and making it in every way a desirable residential neighbourhood. They had parcelled out the estate into about 1000 stations or stands, and he thought that now the time was ripe for selling those stations either by tender or by auction. He estimated the minimum value of each of these stands at £25, at which price he was quite prepared to invest in them himself; and, therefore, they had property there which would bring them in a lump sum of £25,000, and from which they might very safely reckon on having an annual ground rental of £6000. He thought, therefore, they might very safely conclude that they had good sound value for the money they had invested in the Company. And now he came to what seemed at one time a crucial point in their history, and that was the floating of a rival scheme. He had no hesitation in saying now, what he had said at the time, that the whole affair was a bogey. Their rivals took advantage of a time when the water supply of the Company was, he confessed, somewhat inadequate to meet the demands made upon it. They purchased for a very small sum a concession for a water supply some forty-eight miles from Johannesburg, which they tried to sell to the sanitary board of the town for £7000; but he managed to start an agitation, in the course of which he pointed out that while the people of Johannesburg were only paying £36,000 for their present water supply, the new scheme, if adopted, would cost them £120,000 per annum; and so successful was he that the new scheme was killed, and an impromptu collec-

tion made amongst the merchants and property-owners of the town secured the sum of £3000 with which to decently bury it. But, as he said, the whole thing was a bogey from beginning to end, and, to his mind, in fighting it they were very much in the position of killing a flea with a Gatling gun.

"He attached no importance—and he asked them to attach no importance—to any rival scheme that might be floated; for the Johannesburg Waterworks Company occupied an absolutely unassailable position. In addition to having an ample storage of water, sufficient to meet the requirements of the whole town, they were, as he said, engaged in erecting further reservoirs with a view to being able to meet any possible contingency. Moreover, they had exclusive rights for supplying nearly, if not quite, the whole of the Johannesburg suburbs, and even if a new company were ever successfully started, it could only obtain the right to supply the few shops and warehouses in the city, which took very little or no water. The Company occupied, he assured them, an absolutely secure position, from which nobody could dislodge it. Their revenue was steadily increasing. It was a matter of satisfaction to him to be able to tell them that during the last six months—from July of last year—their revenue was £30,290, and their gross profits £19,080, or more than 50 per cent. over the profits of the corresponding period of the previous year; which was equal, after paying the debenture interest, to close on 15 per cent. on the Company's capital.

"It had been stated that the object of his visit to London was to make a further call for capital. He assured them that there was absolutely no necessity, in view of the facts he had stated, for such a proceeding. He went farther, and said that there was no concern in the whole of the Transvaal making such profits as they were making with so small a capital. Since the formation of the Company, £160,000 had been spent; but for that money they were able to show very

valuable assets. In conclusion, he asked them to believe him when he said that it was not his intention to make a bullish speech. There was no necessity for booming their shares. Their intrinsic value and the intrinsic value of the property were quite sufficient to commend them to the investing public; while the extent of his confidence in the concern might be gathered from the fact that never in the history of the Company had he possessed so large a holding of shares as he did at the present time."

A few days after the delivery of this speech a forward step was taken with another of the great undertakings of Barnato Brothers in the increase of capital of the Johannesburg Consolidated Investment Company. In an earlier chapter a Johannesburg welcome to the company on its first flotation in 1889 was quoted, and here may be reprinted the London welcome in the columns of a leading financial journal:

"We have to extend a welcome to a new arrival in the Kafir circus. The Consolidated Investment Company, which has just declared a 10 per cent. dividend, and which in all respects appears to be a flourishing concern, has found that the field for its operations is wider than that permitted by the present amount of its available capital. Concurrently therefore with an increase in the latter, the suzerain house has taken the opportunity of introducing the stock upon this market, and in fact during the week the presentation has been made with some *éclat*. The capital of the Consolidated Investment Company has hitherto been £175,000. A powerful syndicate, composed, we understand, of some of the leading London and Paris financial houses, has been formed to guarantee an additional issue of 175,000 shares at par. The guarantors offer half of the shares to present shareholders, reserving the balance for themselves. Viewed as a whole, the company's business in the past has—without being particularly brilliant—been of a solid, steady, and satisfactory character. During last year nearly 16 per cent. upon the capital of the company was earned in the way of

net profit. Of this 12 per cent. took the form of revenue from real estate and building property. The balance has been earned by agency business, including the secretaryship of a number of companies under the ægis of the Barnato people, and in the way of interest upon advances against first mortgage. But, in addition to this, a more speculative element has been touched upon by the acquisition of a number of "ground floor" interests in Mashonaland, and some good syndicate interests in mining properties in the Johannesburg district. The company should, at any rate, be well managed, seeing that its directors own what are supposed to be some of the longest heads in South Africa; those, namely, of Sir James Sivewright, the Hon. J. Tudhope (late Colonial Secretary, Cape Colony), Messrs. B. I. Barnato, Woolf Joel, Julius Friedlander, Charles Marx, H. S. Caldecott, and Fred. A. English. The directors, we are informed, are largely interested in the concern. It is to be hoped so, for the fees for the last half-year only amounted to £40."

From the increase of capital of this company is really to be dated the last great boom in Rand shares, which lasted till it was summarily arrested towards the end of 1895 in a manner not to be explained at the time; but which, in the light of subsequent events, was unquestionably the foreknowledge of coming revolution and raid, on the part of certain financial houses and individuals. During this boom time, the star of Barnato was in the ascendant. At the Cape Colony general elections of 1894 he retained his position at the head of the poll, as the senior member for Kimberley, after a stubborn, hard-fought fight. This was, however, an ordinary election contest, conducted in a perfectly fair and open manner by both sides, and entirely without the importation of any bitterness and personalities, such as rendered the 1888 election and victory noteworthy. The progress of events in Kimberley was watched with only moderate interest in the rest of South Africa, for no great issues were involved. Woolf Joel was chairman of Barnato's election committee,

and all available ability was engaged on what was evidently the winning side.

Everything that Barnato did now was brilliant and successful, he floated the Barnato Consolidated Mines and the Barnato Bank ; and the rarest success of all that can attend a millionaire was his, for his racehorses won races.

CHAPTER XI

PERSONAL ANECDOTES

Barnato the amateur actor—His last stage appearance—Racing in South Africa and England—Appreciation of actors—The choking of Arthur Roberts—An appreciation of Kingsley—J. R. Couper on Barnato—No lingering death—The romantic marriage—Against family and faith—Scandalising Parliament—A game of billiards—Spoiling the spoilers—The building of mansions

My task is drawing to an end. Years ago Barnato, at a threatening time in his own fortunes, had quoted Richelieu's words to François:

"Fail! Fail! In the bright lexicon of youth, there is no such word as 'fail.'"

With the determination to know no failure he had succeeded.

When at the very beginning of the campaign of life, Barnato decided that he would be great; and that to be great, he must be popular and widely known. Amongst his many other talents was most certainly a very marked dramatic ability, which he had to some extent utilised before leaving England for South Africa. Arrived at Kimberley he cultivated his theatrical instincts, as he did his business instincts, and with the like object. Theatrical companies were in those days few and scanty in South Africa, and it soon became known that Barney Barnato was a most promising amateur, who was always ready to furnish an extra turn on a benefit-night, to take any special character that the stock company could not conveniently fill, or to supply the place of any

member of the company who might be unwell. The audience of diamond diggers was rough, but most critical; and constant practice, with the stage experience, soon rendered him such a passable actor that he was always sure of a cordial reception on the boards. One character, indeed, he made his own in those early Kimberley days, and so long as he was cast for Matthias in "The Bells," Kimberley audiences cared little who else filled the bill. I am very glad to be able to reproduce here three portraits, all taken in Kimberley in 1875, showing some of his most successful impersonations.

The first, of Barnato and his friend Flamberg in "The Spitalfields Weaver," or "How are you, Brown?" is particularly valuable, as being one of the best early portraits of him extant. He was, at the time it was taken, just under twenty-three years of age; and the easy unconstrained position, with the total absence of any "make-up," displays to advantage his firm, well-knit, powerful figure; rather it might have been supposed to be one whose true devotion would be paid to athletics, than to business.

In the next portrait Barnato is made up as the Admiral in "Black-Eyed Susan," Mr. Louis Flamberg appearing as Lieut. Pike. In this make-up there is a strong resemblance observable to the Barnato of the last few months of his life.

The third portrait, of Barnato alone, as the auctioneer in "The Octoroon," recalls a good story of two years later. He was playing Jacob McKlosky for a benefit in the old Theatre Royal, Kimberley, and in the auction scene was holding the whole attention of the house, all silent, spell-bound. The bidding for the octoroon progressed until the 25,000 dollars call was reached, when the impressive silence which followed this fateful bid was broken by the eager, excited voice of a miner in the pit, who could not repress his agitation or stay to remember that he was in a theatre:

"I'll bid 26,000 dollars."

The man instantly slunk back ashamed of his enthusiasm,

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and the whole house roared, but the effect of the scene was utterly spoiled.

On another occasion Barnato was playing Othello, and during the jealousy scene with Iago, a well-known diamond broker and rival amateur, B. Hart, seated in front, guyed him. The Othello coolly broke off in his speech, and coming to the footlights looked significantly at Hart, saying:

"Benny Hart! Benny Hart! You just wait till I get through with this. I'll make you laugh on the other side of your mouth." He then coolly resumed his speech. Barnato had at that time the reputation of being the best amateur boxer in Kimberley, and Hart did not wait. He said he was in the habit of laughing on the right side of his mouth, and wasn't keen about trying the left.

Harry Miller, a well-known South African "pro" of the early days, tells a story how Barnato, when playing Jem Conyers in "Aurora Floyd," came into the dressing-room, and in the excitement of the moment threw a 1200-carat packet of diamonds on the table. Then, forgetting all about the diamonds, went out, leaving them still lying there.

The theatrical habit clung to Barnato to the end of his life, and many of his figures of speech were derived from the stage, one of the best being "always end with a good curtain." His critics sometimes find fault with his set speeches as savouring too much of the theatre. I have heard him speak very many times, and his oratorical method was certainly not in the least florid; his voice was clear and penetrating, the enunciation of every word was most perfect, while he always developed his argument and made his points with consummate ease and telling effect. There was in all this most perfect elocution and method, but no evidence of what is generally meant by stage artifice.

At Johannesburg his first appearance on the boards was for the benefit of the synagogue building fund, as Bob Brierly in the "Ticket of Leave Man," and on many other occasions he played for charities and the benefits of actors and actresses.

His last performance was in November 1893, when he played his old favourite character of Matthias for the benefit of that most capable actress, Miss Helen Rous, then a member of one of Messrs. Ben and Frank Wheelers' comedy companies, at the Standard Theatre. It was one of the most successful performances in which he ever took part.

Of actors at present on the stage, he placed Henry Irving far and away first. The first time the two men met the conversation drifted round to Irving's initial performance of Matthias in "The Bells," which Barnato witnessed from the pit.

"I remember I played four characters that night," said Irving.

"No," said Barnato in his usual quick, impetuous manner, "you played three."

"Excuse me," said Irving, "but surely you will admit that I ought to know."

"I don't care whether you ought to know or not, but you played three characters only; and I will give you, if you like, every entrance and exit you made that night." Barnato then gave the details of the performance, and Irving admitted that he was right.

It has already been pointed out that Kimberley people had a very high opinion of Barnato as Matthias.

A very well-known South African colonist was making a first visit to England, and his friends, wishing to show him all the sights, booked seats for the Lyceum on a night when Irving was reproducing "The Bells." He was told of this, but said:

"Oh, let us go somewhere else. I have seen Barney Barnato as Matthias, and do not want to see any one else."

Barnato himself told this story to Irving, and the great actor rejoined, "Such is fame."

Next to Irving, he arranged his stage favourites in the following order: Charles Wyndham, Hare, Boyne, Coghlan; and of the old school in the past, Phelps and Creswick. He

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had a very great admiration for Arthur Roberts, who will doubtless remember an occasion when, after a festive gathering, Barnato and Roberts, for the amusement of the party, contributed a spoof dialogue.

Barnato took the part of the injured father, Arthur Roberts was the villain. The dialogue progressed with great spirit until the villain made cool, unblushing avowal of his deed. Then the father rushed at him, and clutching him by the throat and shoulders, nearly choked him.

"Oh, come, Barney, turn it up!" Roberts jerked out. "If you always play as earnestly as this you can get some one else to do villain to your injured father next time."

Whatever he did was done with his whole energy, and this was never better shown than in his stage work, and even, as in this case, his burlesque stage work.

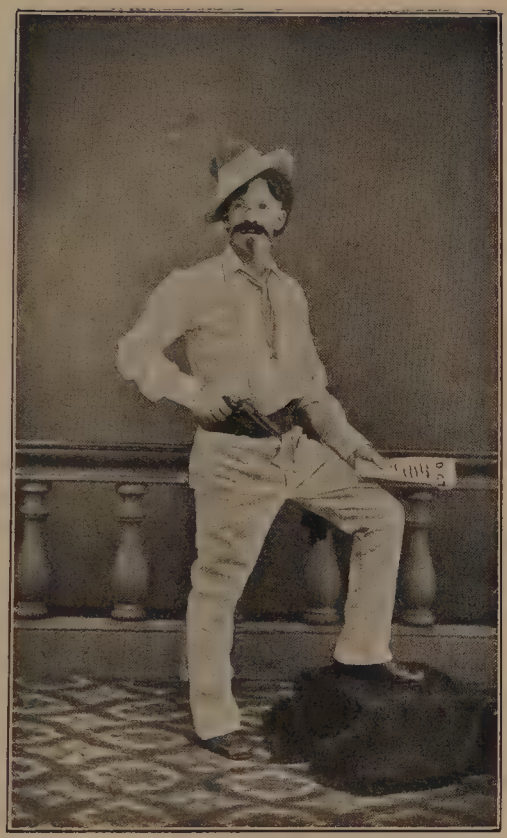
He was very fond of sport of all kinds, and at boxing he was a proficient. On the Diamond Fields he early acquired a reputation among a very rough crowd of being always ready and quick with his hands, and it stood him in good stead. He was an early patron of the late J. R. Couper, some time champion of South Africa, and specially imported Bendoff to match with Couper in 1889. The resulting fight was a matter of seconds only, for Couper was an easy victor, and won over £7000. Couper, too, another personal friend of my own, has died since his patron's death, and alas, by his own hand!

Barnato was an early and constant patron of the turf. In a country so generally poor as South Africa, with such a low average of wealth among the farmers, it is often a difficult matter to keep the turf clubs afloat, and engineer the annual or half-yearly meetings in the smaller centres of population. To these he was always most helpful, and wherever race meetings were held, and it was possible for the Barnato stable to be represented, his horses were freely entered in aid of sport. His English racing began practically with the year 1895, when he put a few well-selected horses in Joe Cannon's

care at the Heath, Newmarket, and under the supervision and management of Lord Marcus Beresford. With Beggar's Opera, bought at the sale of the late Duchess of Montrose's horses at the back end of 1894 for 900 guineas, he won the Beaufort Handicap at the Manchester Whitsuntide meeting the season following. This promising beginning was not, however, followed up, and 1895–6 passed away with one solitary win by the son of Macheath, who started nineteen times unsuccessfully. In December 1895 though, he bought Worcester for 2000 guineas, and in the spring of the following year this son of Saraband and Elegance won for his new owner the City and Suburban, starting a 9 to 2 favourite in a field of fifteen, and beating Amandier by three lengths. Subsequently, in the same season, Worcester won the Trial Stakes at Ascot, the July Cup at Newmarket, and the Southdown Plate at Brighton. An earlier acquisition than Worcester was Stowmarket, who for a whole season was a failure, but last year redeemed himself by winning the Liverpool Spring Cup in the popular primrose colours. The Two Thousand Guineas Trial Plate, and the Drayton Welter Handicap at Goodwood, turned out the winning sum total of Stowmarket's performances, out of eight attempts. Miss Primrose has so far been the only other of note doing winning service for the Barnato stable. This filly, by Galopin—Orontes II., last season as a two-year-old took the Caterham Plate at the Epsom Summer Meeting, and the Second October Nursery Stakes at Newmarket, while this year (1897) she won Earl Spencer's Plate at Northampton.

From his love of the fistic art Barnato frequently made use of Prize Ring metaphors and figures of speech. One morning he was discussing with myself a recent lawsuit which he had defended, and in which a former close friend was plaintiff, and he said:

"If you are going to fight, always get in first blow. If a man is going to hit you, hit him first and say, 'If you try that, I'll hit you again.' It is of no use your standing



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off and saying, 'If you hit me I'll hit you back.' D'ye understand?"

"Yes, I understand," I answered; "but you are quoting Kingsley in 'Westward Ho!'"

"Who was Kingsley and 'Westward Ho!'?" he sharply queried.

After I had explained and quoted the passage from Drake's letter to Amyas Leigh, he said:

"Ah! I did not know anything of Kingsley, but when he wrote that he knew what life was and he was right and I am right, though it is queer for me to get a supporter in one of your parsons. If he was a true man he would also have to agree with our law of 'an eye for an eye and a tooth for a tooth,' but, being a Christian, of course he couldn't do that. Pah! never let a man wrong you without getting square, no matter how long you wait; and never wrong a man if you can help it, because he will wait his time to get back on you, and at the worst possible moment. I don't care whether it is Jew or Gentile, it is all the same." This conversation occurred during an early morning drive about two years ago, when he had just arranged his scheme for the flotation of the Barnato Consolidated Mines, and was already laying off the lines on which the Barnato Banks were to be constructed and floated.

Just a week later he gave me a very ominous signification of the extent to which the strain of work was telling upon him. It was after the Sunday morning breakfast, which had included a specially brilliant gathering of the foremost Rand men and visitors. During the meal Barnato had borne even more than his usual full share of the conversation, but in a hasty, impetuous manner more marked than usual, which caused many anxious glances to be cast at him by the presiding genius of that hospitable board, his clever, amiable, and most beautiful wife. The meal ended, he drew me into a small, very bare study, opening from the breakfast-room, and for two hours paced incessantly up and down, talking of his work and schemes for

the future, sedulously imbibing all the time very stiff long whiskies and sodas. The interview ended, so far as related to the business part of it, he began to talk generally, and eventually the conversation drifted round to boxing and the merits of Bat Mullins as an instructor. Suddenly Barnato turned to me and, gripping my arm fiercely, said, "D'ye know what would do me good? Twenty minutes with the gloves every morning. But I can't do it now. I have hardly time to live." A few days later, and with as sudden an interruption, he said, "D'ye know, there is one thing I don't like? I never felt my work too much for me before. I could come home, leave it all behind me, go to bed and forget it. I can't now. I go to bed with it, sleep with it, dream of it, and wake up with it. I don't like it, I tell you."

A few days later, I discussed this with the late J. R. Couper, and he said:

"Yes, it would do Barney all the good in the world if he would come and have twenty minutes with me in the morning, as he used to years ago; and it would do me good too, for I am getting stiff and my sight is none too good, but I can quite understand why he can't do that now. There never was a simpler, more unaffected chap than Barney always has been and is still, but he has too many irons in the fire. You know how quick and lively he always is, just like a parched pea in a frying-pan, as the saying is. Well, he has always been like that, just a bundle of quivering nerves, and some day that marvellous vitality will cease. Either life or brain will go."

Barnato was never in the least inclined to be morbid or introspective, and he regarded all possibilities of the future with perfect equanimity.

One morning, in the course of conversation the name of R. W. Murray, sen., was mentioned, and I said that my acquaintance with him had a singular commencement.

"Well, out with the yarn," said Barnato.

"It was during one of Murray's visits to Port Elizabeth, and I was going home across the market square one morning, when I saw the old gentleman, whom I had lately been introduced to, looking for his hotel. I put him right, and then finding that he knew Birmingham I stayed for a long time discussing old Birmingham notabilities; amongst others, George Dawson, the famous Unitarian of twenty-five years ago. Murray told me one or two good stories of that most able and eccentric man, and then spoke of his sudden death; reminding me that on a notable occasion he said that the only fault he had to find with the Church of England liturgy was that the petition in the Litany, 'From battle and murder, and from sudden death, good Lord, deliver us,' should have read 'From battle and murder, and from lingering death,'" &c.

"Ah!" said Barnato, "I do not know much about the Unitarians, but he was quite right. When my turn comes, and with it death, let it be sharp and sudden. What awful torture it would be for me to be lying ill, sick, getting weaker and weaker from day to day, for weeks! No, no! no lingering death for me." Then, continuing without a pause: "Here, come and look at this picture," leading the way into the drawing-room, where an enlargement of a photograph stood leaning against a chair. "Jack, my son Jack on a bicycle, and not two years old. Eh, good, isn't it? No, of course, he can't really ride yet, though he is a jolly little chap and is coming on well. He was propped up very carefully for the picture to be taken, and it looks as natural as possible."

After breakfast that morning his little daughter brought in her new doll, the father's own present of the evening before, to show me.

"Ah," said Barnato with a merry twinkle. "I nearly got into the biggest row of my life last night. I had promised to bring that doll home, and drove to the Wanderer's railway crossing before I remembered it. I had to turn round, and drive as hard as possible back, and just got to the

shop as they were shutting up. I tell you, if I had come home without that doll you would not have cared to be in my shoes. Eh, Miss Barnato," turning to the little one, "there would have been a pretty kettle of fish, eh?"

After breakfast I walked down to the club with him, and his mind was still full of the children.

"Isn't it strange," he said, "Fanny and I were married for eighteen years and no children, and now we have 'Miss Barnato' and Jack, and we must get back to London at once."

"You have a great deal on hand," I remarked, "just now. Would not Mrs. Barnato be as comfortable out here?"

"I won't stay," he said sharply; "I take no risks. In London I can get everything that money can buy. Here I am seven thousand miles from it all."

Barnato was most fondly attached to his wife and children, and they accompanied him in all his journeys to and from London. In the earlier days, before the children came, Mrs. Barnato accompanied her husband on his journeys to the Rand and Capetown, when the only conveyance was for the richest a cart or special coach, over rude trackways that an English coachman would despair of.

Barnato met his future wife at Kimberley in 1874, and in 1875 they were secretly married by the civil law. The marriage was kept secret for some time, for Mrs. Barnato was not of the Hebrews, and the marriage was certain to be bitterly opposed by his family. However, Barnato had taken his own way, as he generally did; he married the wife of his choice, a most able, accomplished and clever woman, and the family objections were overcome when Mrs. Barnato adopted the Hebrew faith. The children have, of course, been brought up in that faith.

The eldest child, the daughter named Leah Primrose, after Barnato's mother and his first Transvaal mining venture, was born at 28 Park Lane on March 16, 1893.

The next child, a boy, named Isaac Henry Woolf, was born

at 36 Curzon Street, Mayfair, on June 7, 1894. He is commonly called Jack, and is the hero of the bicycle.

The third and youngest child, a boy, named Woolf Joel, was born at Spencer House, St. James's Place, on September 27, 1895.

I do not know quite whether it is necessary to state that, however great an admiration Barnato may have had for Lord Rosebery, both as one of Her Majesty's Ministers and as a good sportsman, he neither took Lord Rosebery's family name for his daughter, nor the cognomen of a racehorse for his son.

He rather delighted in mildly scandalising the very staid members of the Cape Parliament. Whenever he could manage it he would, in apparent forgetfulness, stroll in to his seat in the House of Assembly with a lighted cigarette between his lips, and he was particularly pleased when he could introduce some absurdity into a grave debate. Perhaps the best thing of this kind he managed was during a debate in the 1893 session on the Cape Liquor Law, which prohibited the sale of liquor on Sunday, unless as the accompaniment of a substantial meal. In the course of his contribution to the debate he said:

"A few Sundays ago I walked some distance from Capetown, for, being busily engaged in mentally reviewing the course of business of the Honourable House, I went on much farther than I had intended without noticing the time. I at length retraced my steps, and, being then both hot and thirsty, went into a decent and most respectable hotel for refreshment. I only wanted to quench my thirst, but according to law a drink could only be supplied as the accompaniment of a *bonâ fide* substantial meal. Mine host set before me a bottle of beer and a leg of roast pork. He had no other eatables. What was I to do? If I ate the pork I broke the law of Moses, if I drank the beer without eating I broke the law of the land. Between the Chief Rabbi and the Chief Justice I stood in a very awkward position."

One evening, after a dinner at a well-known club, an attempt was made to engage him in a game of billiards with a good player, and it was intended that some money should be extracted from him in bets. Nothing loath—for he was fond of the game and played well, circumstances which were not known to the people there—an adjournment was made to the billiard-room. There every seat was rapidly filled up to watch the expected game, and his opponent said:

"Shall we play for a fiver, Mr. Barnato?"

"Yes, I don't mind."

Several of those present then offered each to bet him a fiver he did not win. He gave a quick glance round, saw the eagerness for the fivers and a share in the spoil, and turning to a friend with him, said:

"Have you got any paper, Tom? Take everything they offer; I am going to make some money to-night. Put a fiver on for yourself—I shall win."

To the intense chagrin and disgust of the majority present he did win, playing a very good game, and just running out with a little bit in hand.

One morning, when going alone to a race meeting, he struck up an acquaintance with a man at the starting station, had a drink with him, and then in the crush for the train they were separated. He got into a carriage with three of the "sharp" fraternity, who marked him for their own. Arrived at their destination, his first acquaintance saw the party get out of the carriage, and, coming hastily up to one of them, said: "Here, you leave him alone; he is my bird."

"Oh! he is, is he?" was the rejoinder. "Well, you are welcome to him, for he has got all our money."

Before reaching the course Barnato returned the sharps their money, saying: "Here, it is bad enough for you chaps to have lost your railway journey. I don't want your money, but don't mark Barney Barnato down for a mug again." What Barnato did not know of the ways of these gentry was not worth knowing.

At Johannesburg some years ago a well-known individual of a type rather common there borrowed £10 from Barnato, and although asked for the money several times always put off payment. One day between the chains Barnato said openly to some friends: "Mind none of you ever lend F. D—— any money. He has £10 of mine, and it is time he was stopped."

The man heard of this, and, coming up to him, said: "I hear you have been talking about me?"

"Yes; I want my money."

"Well, here is your £10, and don't talk about me any more."

A short time afterwards the same man asked Barnato for the loan of £25, as he was hard up.

"No, can't do it," was the reply.

"Why not? I do not owe you anything."

"I know you don't, but you've disappointed me once. You paid back £10 I never expected to get, and I won't risk another disappointment."

Barnato's early education at the Jewish Free School was most elementary. He never read books, and only occasionally skimmed newspapers. Speaking of the South African papers, he said he knew all he wanted to know before the papers were published, and as for books, "it is cheaper for me to pay a man to pick out what I want than to waste time myself in looking for it."

For art he cared nothing, and his only criticism of pictures was from the story-telling point of view. A newly arrived illustrated paper, the *Graphic*, I think, was handed to him one day in a moment of waiting. "Is there anything by that chap Wain—any of his wonderful cats?" he asked. There was not, and he would not look at other good work. Among black-and-white artists, Louis Wain and Maurice Grieffenhagen were to him first of all.

Absolutely careless of appearances, he did concede to London a black coat and silk hat, but elsewhere checked

tweed and felt were the only wear, and all display was most distasteful unless undertaken for a definite purpose. He had to the full the old prejudice against house-building, and if he indeed had any superstition it was in this. He yet made many announcements of building of palaces from motives of policy. At Johannesburg many plans were prepared and sites selected, but it was only within the last two years that work was really commenced in laying out thirteen acres of gardens. Even this was rather for the purpose of booming the villa lots he owned in the vicinity. He regarded London as a convenient business centre which it was necessary for him to visit each year, and he had been content with such hired houses as he could obtain, as the varying places of birth of his children show. In 1895 he determined to build a great house suited to his fortunes, and one in which he could indulge his taste for most generous hospitality. A splendid site at the corner of Park Lane and Stanhope Street was purchased and the building began. Yet his superstitions troubled him. Passing the growing building one day, he said :

"There it is, but I shall never live in it."

When he was in Johannesburg a little more than a year ago, I showed him a print of the elevation of his Park Lane house, which had been issued with, I think, the *Building News*.

"I shall have the finest entrance-hall, stairs, and dining-room in London," he said.

"So you are really building at last?"

"Building?" he queried sharply. "Oh yes, I am building. I must."

CHAPTER XII

LOUIS COHEN'S REMINISCENCES

Barnato's first partnership and office—The pony that drove himself—A loyal friend—Would buy an ironclad—What are my colours?—Getting in the water rates—A whisky jelly at Birch's—Kimberley stage work—Barnato *v.* Cohen and the return match—Sleeping extraordinary—Feeding the hungry

I AM indebted to Mr. Louis Cohen, one of Barnato's oldest and closest friends, for most of the anecdotes in this chapter. His acquaintance and partnership with Barnato have been already referred to. The acquaintance began in this manner.

Towards the end of 1873, Louis Cohen, himself a comparatively new arrival in Kimberley, boarded—*i.e.*, took his meals only—at a restaurant, which unblushingly and quite innocently put up outside the sign of the "Scarlet Bar." It was a very cheap place, and suited him at the time, for he was not very well off. One day he was having tiffin there, and a casual acquaintance, sitting beside him, said:

"Do you see that young fellow over there with the glasses? That is Harry Barnato's brother just arrived—a very sharp chap, I believe."

Cohen says: "After tiffin I went out on the kopje, and there I again saw Barnato. We entered into conversation in some way, I forget how now, and spent the rest of the day and the evening together. I was buying diamonds on the kopjes then, and he asked if he could go out with me the next day on my rounds. I agreed; he went with me, saw

what the business was like, and we got to be friendly. A few days later he was walking with me in the camp, and pointing out a very well situated office, said:

"'Well, Lou, how would that do for an office for the two of us?'

"I liked the situation very much, and said so, but I said that it would cost far too much, and it would be ridiculous for us to take such a place.

"'Well,' said Barnato, 'let us ask what the rent would be.'

"I went in. A man named Maloney owned the place, a tiny unfloored, corrugated iron shanty about eight feet by six feet, and found that the rent was one guinea a day. I came out to Barnato and said: 'There, that is what I expected; it is ridiculous to think we could pay that.'

"'I do not know that,' he replied; 'the situation is good. Why not pay a guinea a day if you can make thirty shillings?'

"Well, in the result we took that office, and to economise divided it, small as it was, into two by a partition. I sat in the front box during the day and bought diamonds, and at night we both slept, without bedding, on the earthen floor at the back. We had just a blanket each. When we commenced partnership I had less than one hundred pounds, Barnato had sixty boxes of cigars.

"Barnato's part of the work of our small firm was to go out on the kopjes and buy, and it says much for his perspicacity that, despite his even then defective eyesight, he never bought too dear. In diamonds the least flaw or speck makes a vast difference in value, but during the progress of his deals he contrived to hold his customers in conversation until he had thoroughly examined what he was about to buy. The outside work was very hard, in the dust, heat, and glare of the South African sun, to which he was then unacclimatised, but he stood it all and worked very hard.

"I must tell you one special incident of those days which certainly shows his wonderful powers of observation.

"There was one man then, a diamond buyer in a comparatively large way, whose business we both envied. He seemed to have a regular and large connection, and made constant rounds, riding an old yellow rather lame pony. We tried to follow him several times, to see which way he went, and who, among the wilderness of tents, huts and *débris*-heaps, he called on, but without avail.

"One day Barnato said to me, 'That chap —— has a rare good connection; we must get hold of a bit of it somehow.'

"'All right; we want it bad enough.'

"At that time we were very hard up indeed, and prospects were poor.

"A few days later Barnato came to me in great glee.

"'I know what we have to do to get ——'s customers. I've seen him come home three days running.'

"'If you had seen him go out and followed him up it would be more to the purpose, I should think,' I answered, rather sharply perhaps, for I thought he was fooling.

"'Have patience, Lou, and I'll tell you if you give me a chance. Look here, I've seen him come back from his rounds three days running, and he always stops first at Hall's canteen. Mind this, however. He does not guide the pony to that place, but just sits still all the while with loose rein, and the pony stops of his own accord. Now it is my firm conviction that all day long he rides just the same way, and that the pony knows all the stopping-places. I've known this for some days, but it didn't help so long as he had the pony; to-day he has seen some other beast he likes better, and wants to sell his whole present outfit.'

"I agreed. We bought that old worn-out yellow pony and its bridle for £27 10s., and with it the man's whole connection; for the morning after the purchase Barnato started out early, and the pony, without trouble, took him in and out among the *débris*-heaps to every one that chap had been in the habit of calling on. We paid £27 10s. for it, but it brought us a good connection and very much money. The

man little thought that with the pony he really sold the list of his customers, and I wonder if any other man than Barnato would have been so closely observant as to notice that the pony finished his round without guidance, and so probably knew all the usual stopping-places of each day.

"Barnato was a good partner and a good comrade ever after. He was always thoroughly loyal to all his friends. I remember some three years ago he came up to me in the street.

"'Lou,' he said, 'you know —— is in trouble now. Well, what will you give to help him?'

"'I'll do what I can,' I answered.

"'Well, will you give £100?'

"'No, I can't afford that. Can't possibly do it.'

"'Will you give £10?'

"'Yes, I will do that gladly.'

"'Ah well, that is all right. If you can give £10 I can afford to give £400, and that is what I have just done.'

"I said that Barnato was a loyal comrade. He was in England before he won the Kimberley election, and then we had words about something and quarrelled. I was wholly in the wrong, but we quarrelled, and when he went back to South Africa I did not go to see him off as usual. A few months later I went out to Johannesburg in very low water, and on arrival there had perhaps not more than £2 in the world. I worked hard, pulled up a bit, and then came Barney's triumph in Kimberley and his visit to the Rand. He was not at the very summit of his fortunes then, but he was at the height of his South African fame; and I thought to myself he was far too great to remember old times and his former friend, who was merely a poor broker still. So I did not write to him, nor go to see him, for I feared a rebuff. One evening, about half-past five, I was standing between the chains, feeling pretty despondent, when he came up behind and tapped me on the shoulder.

"'Well, Lou, how have you been doing? I am glad to see you. How are you?'

"'Oh,' I answered, 'I have been rubbing along somehow; mustn't complain.'

"'Well, now I have found you, let us have a talk. You know how all these men are worrying round to get me to dine with them, and all this and all that. I am going to dine with you to-night, and nowhere else.'

"This was rather a tall order for me, for funds were very low. However, it was managed somehow, and, after dinner, he said to my wife:

"'How has Lou been getting on really?'

"'It has been a hard struggle,' she replied, 'but it is all right, I think, now.'

"'I am so sorry for the hard times.' Then, turning to me: 'Lou, you have not behaved well to me, and I can't forget it, but I must make you some money now.'

"Then at the dinner-table he sketched out a piece of business that put £150 into my pocket as commission, and the next morning he took me in to the managers of the four banks and introduced me to them as his broker. The previous day I had been a nobody without credit. After his introduction my credit was considerably above par. There was no reason why he should have done this, for I had annoyed and offended him. He has been called a bitter enemy. To me and to scores of others he was ever a most loyal friend. He was a man utterly without malice, though bitter enough in his opposition while it lasted. He could understand that people should oppose him, but he never could understand a malicious and persistent opposition, and that was what worried him in some sections of the press.

"He was really very sensitive to press criticism, though he put on an appearance of indifference. I remember one day he said:

"'Well, they can say what they like about me, and tell whatever lies they choose, but, if they tell the truth, the worst they can say is that my father and mother were both poor and respectable, and that I am not ashamed of it.'

"He was intensely, fervidly patriotic, and most proud of his nationality, as many a man found to his cost in the old diamond digging days. I remember one day we had been talking about the position of England, and Barnato said:

"'I don't feel quite easy about the position at Home. European nations are continually arming, and if they ever got a footing in England it seems to me it would soon be all up. The people could do nothing.'

"'No,' I replied; 'men like you would be of no use.'

"'Well, I couldn't fight. Little men with bad sight are not much good, I know; but if England was in trouble I would be of some use. If I could do nothing else I would buy an ironclad.'

"Barnato was most absent-minded. I have seen him, lost in thought, go up to a stranger in the street, and hold out his cigarette for a light without a word, only waking up when asked angrily and abruptly what he meant. At a race meeting at Johannesburg, he went on to the grand stand to see a race in which one of his horses was to start. As usual, he had no glasses, and only managed to borrow a pair for the race as the flag fell. After one glance at the beginning of the race, he turned to a stranger next to him and said excitedly:

"'For goodness' sake, man, tell me what my colours are.'

"You, of course, know a great deal about Barnato and his Waterworks Company. He was a man who, in the interests of his shareholders, would spare no one, no matter how close a friend. He had at one time in Johannesburg great trouble from the scarcity of water, and was convinced that many people were getting water without paying for it. He got me to go round with him one Sunday, starting before daylight, and taking note of every house where water was being allowed to run to waste in the gardens. We walked up one road and down another for quite fourteen miles, and then we stopped at a bar for a drink.

"'Whisky,' said Barnato; 'two, please.'

"'With water or soda?' said the barmaid, who also owned the bar.

"'Oh, water, of course. Now this is very good water, is it not? You do not have many complaints from customers, eh? though some people do say the water is bad.'

"'Oh, the water is very good, I think, though they do not often collect the water-rate: they have not been for over six months.'

"'Oh, haven't they?' Then, turning to me as we came away, he said: 'Now, Lou, tell the truth; you have a house here and get the water; do you pay for it?'

"'Well, I have been in the house ten months, and have paid no water-rate yet.'

"The next day the too frank barmaid and myself were both served with summonses for water-rate with arrears.

"He very rarely carried money about with him, and this sometimes placed him in an awkward predicament. I ran against him one afternoon as he was going out of Throgmorton Street.

"'Come and have a drink,' he said. 'I am just going down to Brighton. You come, and I will give you something you have never tasted before—a whisky jelly.'

"We went into Birch's, had the very excellent whisky jelly, and then Barnato turned to pay for it. He had no money, and after feeling all over his pockets, could only find a few papers, a cheque-book, and a railway season ticket to Brighton.

"'I have got no money, Lou; you pay for it.'

"Now I had money, but I wanted to see what he would do, and said: 'I can't, I have not a shilling.'

"'Well, what shall we do? Shall I ask them to cash a cheque?'

"'Yes, that is the best.'

"He wrote out a cheque for £2, and asked the young lady to cash it.

"'It is against our rule to cash cheques, sir,' she said.

"'Oh, well, never mind, just ask them to oblige me; my name is Barnato.'

"She went away, but returned at once.

"'I am very sorry, sir, but we cannot cash it.'

"'What are we to do?' said Barnato to me. 'I tell you what. I will leave my watch,' and he began to take it off.

"'Oh, all right, Barney, I can pay it,' and I paid it.

"You know how fond Barnato was of the stage and of acting. The stage was, indeed, a passion to him, and he undoubtedly had a considerable amount of rough ability which, with training, might perhaps have led to success on the boards. We played together a great deal, and his special *forte* was the delineation of Jewish characteristics. In this he was so realistic that he gave offence to some members of our community, and it was quietly hinted to him that such work tended to bring Jews into contempt. Barnato was a most patriotic Englishman, but he was none the less a good and strict Jew, and from that time he never played another Jewish character. I played them instead.

"There were two theatres at Kimberley in the early days, and we generally played at one, so much so that the proprietor, I believe, came to look on Barnato and his large following as a valuable asset. We sometimes played without scrip or anything like parts to study, gagging throughout; but it all went down somehow, and Barnato was never nonplussed, never at a loss for a word. One special night we played in a monster bill consisting of an act each from the 'Two Orphans,' 'The Flying Scud,' 'The Octoroon,' and 'Oliver Twist.' In the last the proprietor was cast for Bill Sykes, Barnato for Fagin, and myself for the Artful Dodger. We had no scrip even for this important night, and had had only one rehearsal. All went well till near the close, when Bill Sykes asked Fagin some question, to which Barnato could not devise an answer. To gain time he said:

"'What was that? Say it again, Bill'; and the question was repeated.

"'I do not know anything about it, Bill; but I see the Artful Dodger down the street, I'll ask him.'

"He then rushed from the stage and called me to go on. I replied that it was not my cue, and did not know what he was doing.

"'Oh, never mind that; go on, knock Bill Sykes down, and I'll lower the curtain.'

"I went on as told, hit Bill over the head; we both fell, and so did the curtain. Kimberley audiences were not very critical when they were pleased, but poor Sykes had a very sore head.

"I have written several things myself which have met with more or less success, amongst them a comedietta, entitled 'En Voyage,' which was produced at a *matinée* at the Vaudeville Theatre in the Strand. I still think it was very good; but when it was first brought out I was very full of it.

"Barnato pulled my leg finely over this. Soon after the first performance I received a letter, purporting to come from Day, the Birmingham manager, to the effect that he had seen my piece, and would like to buy it. The following Friday, the letter said, he had business in Hatton Garden, and would meet me outside the post-office at eleven o'clock, or as soon after as he could. It was a miserably cold and wet day, with snow on the ground, and I waited till two o'clock. It was not until Barnato had passed me twice, remarking what a bitter cold and miserable day it was to be out, that I saw the joke.

"At that time Barnato was always talking about taking a part in some new play or other, and so, procuring a sheet of Vaudeville notepaper, I wrote as from the theatre, that the manager was considering a new play in which he could cast Barnato, if he would call on him on a certain evening. Barnato was delighted, showed me the letter, and asked me to go with him. We went together at the appointed time, and I stayed outside very contentedly for three-quarters of an hour, waiting developments. Then he came out to me, looking thoroughly mystified.

"'Here, Lou, come and let us have a drink. That man —— is most extraordinary. He asked me, as you know, to go to him for a special purpose. There were several other people with him. I tried him twenty times, and could never bring him to the point.'

"At this I could not help laughing outright. He turned quickly, looked at me, and then, laughing heartily, said:

"'Hullo! you scoundrel, this is your work, eh? getting square with me! Well, I didn't tramp up and down Hatton Garden for three hours.'

"He had a great knack of going to sleep whenever he wished, and of waking upon an instant quite bright and alert. I have no doubt that this faculty of resting materially aided in keeping his brain always fresh, but he slept under most peculiar circumstances. On one occasion, when playing Othello at Kimberley, he could not be found when his call came after the long wait. There was a slight delay, but at last he was seen fast asleep in a corner, and when awakened sprang up and went straight on to the stage at his cue.

"On another occasion, after one of the Kimberley performances, we had all gone to the manager's house for supper, and sat talking till very late. Then Barnato was missed from his chair, and supposing he had gone quietly off, we said good-night and separated. As a matter of fact he had first of all gone to sleep in his chair, then gradually slipped off on to the floor, and slept comfortably under the table. About half-past three he awoke, and was quietly leaving the house when the big yard-dog came up suspiciously. On the sideboard was a cold leg of mutton, which he caught up, threw to the dog to pacify him, and then walked away.

"The next day he saw the manager and said:

"'Oh, I am sorry I was so sleepy last night; hope I didn't disturb you in letting myself out.'

"'Oh, that is all right,' was the reply, 'but I wish you would not get so fearfully hungry. You needn't have eaten all the leg of mutton, and polished the bone, surely.'"

I will introduce here a story for which Louis Cohen is not responsible.

Barnato was not very long ago a guest at a very special Savoy dinner, and, either feeling tired or bored, dropped off to sleep in his chair. He was not disturbed, and when the party broke up at an early hour they purposely, by way of a joke, turned down the lights and left him, to see what he would do. He slept till nearly three o'clock, when he stirred, looked round, and thinking, he said, that it was not worth while wandering about, partially undressed and lay down on a couch to finish his sleep, covering himself with the hearth-rug. He slept soundly till disturbed by the servants in the morning.

It was a great superstition with him never to turn back. If, on leaving his house, he found that he had come away without important papers or anything else, he never would turn back, no matter if only for a few yards, but would send for them from his office. Louis Cohen says:

"Barnato never turned back in his life in the streets or anywhere else for anything unless he had unwittingly passed a blind man. I have, however, repeatedly seen him rush across crowded thoroughfares, dodging cabs and carts, to give a blind man sixpence. If, as was frequently the case, he had no coin in his pockets, he would borrow sixpence from any one with him."

To lend him small change was to say good-bye to the cash, and he has often had to ask from one to another, 'Lend me five shillings,' and been met all round with, 'No, Barney, I shall never see it again. I will lend you five pounds with pleasure.' The small amount he would ignore, the larger would be promptly repaid.

"Not only," says Louis Cohen, "was Barnato ever mindful of the blind, but he was particularly distressed at the exhibition of children in the streets. One winter evening, early in January 1896, the streets were like glass,there was some fog, and he decided to walk with me home from the City

instead of riding. In Oxford Street we saw a woman carrying a child of perhaps two years old, and singing. He stepped up to her, saying:

"'There is a milk-shop over there. Here is sixpence, get some hot milk for the child.'

"Then we stood up in a doorway a little distance off to see that this was done. The woman, thinking we were out of sight, walked into a bar, had some gin, and gave the child nothing. He walked straight across and stood close up by the doorpost, waiting for her to come out. When she appeared he caught hold of her arm, almost voiceless with anger:

"'You—you—you scoundrel! I gave you money to get hot milk—hot milk, d'ye understand?—for the child. You deserve to be given in charge. Here, come here!'

"Snatching the child away from her, he walked into the milk-shop, sat it on the counter, and fed the shivering little mite with hot milk and buns with his own hand. Then he gave it back to the woman with a further donation.

"'Now you go straight away home.'"

CHAPTER XIII

REVOLUTION AND RAID

Barnato's penultimate visit to the Rand—After the raid—His exertions for peace—The prisoners delivered—Barnato the conjurer—The Matabele rebellion—His scheme of relief—The complaint of overwork—Kipling appreciated—Trouble with the water company—The last triumphant departure

In April 1896 Barnato again arrived in Johannesburg under circumstances very different from any that had before either occasioned or accompanied his visits. The whole of the Transvaal was still in a simmer of excitement over the wretched fiasco of the abortive revolution of the previous December. Sixty-three members of the Reform Committee had, after imprisonment, undergone a preliminary examination, and were then on bail awaiting imminent trial. Confiscation and war were in the air, or, as the only alternative, a perpetuation of the grinding despotism of the nominal Republic. His previous visits had all been to personally nurse and develop his interests; he had now to rescue them. He had, moreover, a most urgent family affair to attend to, for his trusted lieutenant and nephew, S. B. Joel, had at the last moment suffered his name to be added to the list of Reform Committee members, and was in consequence one of the proscribed. With indefatigable energy he applied himself to the task of unravelling the tangle. The Johannesburg office was reorganised and strengthened, development at the mines and all work in connection therewith was vigorously pressed forward, and the output of gold, from the Barnato

group of mines at any rate, was rapidly brought up to the normal.

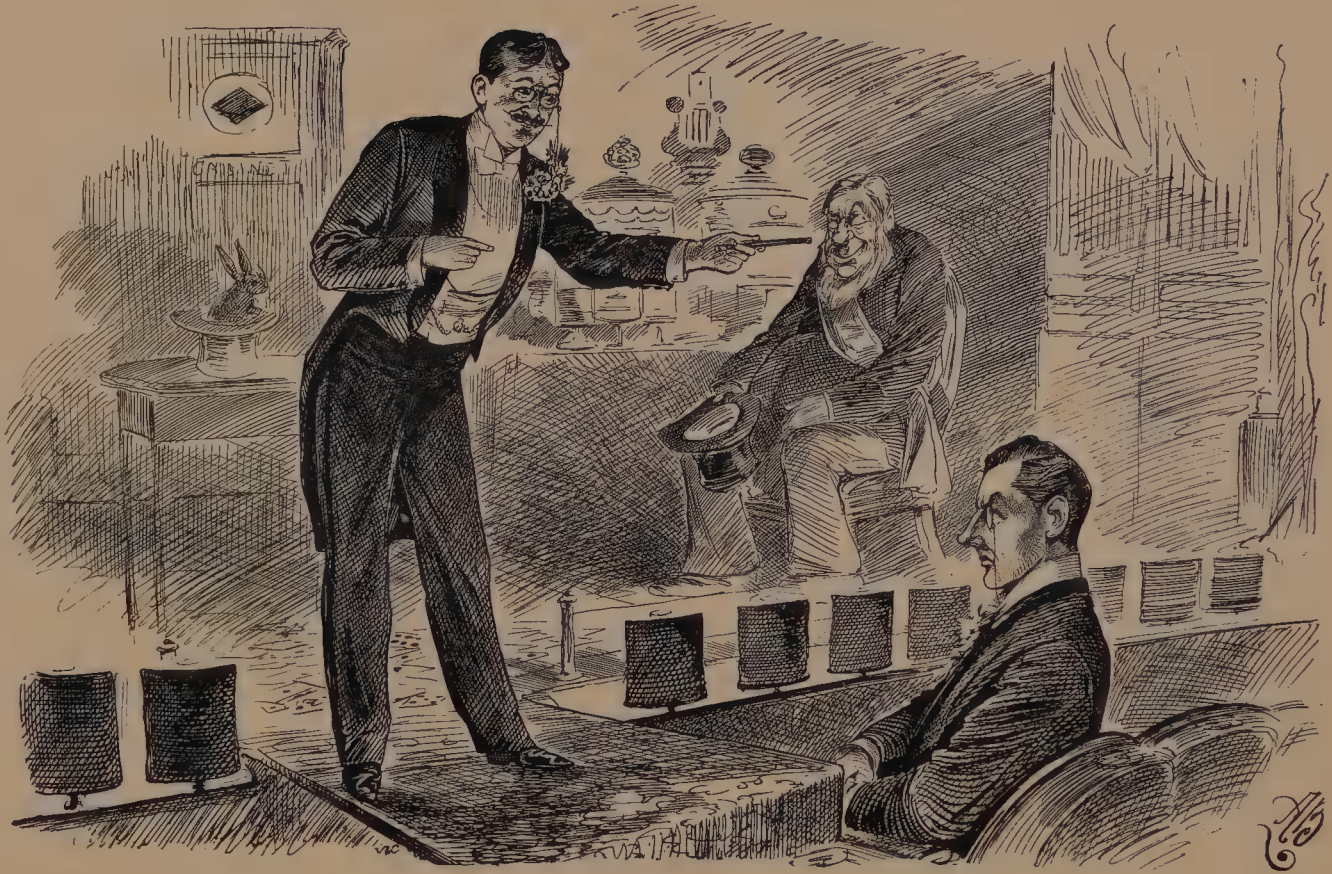
The mere fact of his being on the way to the Transvaal afforded a sense of peace and tranquillity to all classes, and "Barney's coming, he'll soon straighten things up," was the general remark on the first reception of the news. He would have been accorded an unrehearsed popular reception on arrival, but the particular date was purposely kept secret to avoid this, and the general welcome had to be voiced only in the street salutations, in the ringing cheers which greeted his first appearance on 'Change, and in the scramble for tickets for the public dinner given in his honour at the Grand National Hotel. On this occasion he did not, as in previous years, occupy a separate house, and extend the same lavish and general hospitality, but stayed with S. B. Joel. He had both too much to do, and the circumstances were too grave for either entertainment or amusement. The usual open breakfast table therefore became a family gathering only, to which occasionally two or three trusted intimates were admitted.

Up to the trial he was very well satisfied with the progress of affairs. He credited the President and the Executive Council of the Republic with an honest desire to set things straight, and to carry out the policy so loudly trumpeted forth, "forget and forgive." The members of the Reform Committee would certainly be charged with treason to the Republic, but under the Gold Law, even if all were convicted, the penalty would be merely nominal; and he ascertained in the course of his Pretoria visits that there was no doubt that the Gold Law, and that only, was the law under which the offences of all would be tried. Even when the Executive Council decided to import a judge specially from the Orange Free State to try the case, he had no suspicion that the prosecution would be conducted in any unusual manner. Then came the surrender of all the prisoners for the trial, and the negotiations on the night

preceding which resulted in all pleading guilty. The history of that night's work will possibly furnish a good subject to some student in the distant future, for an admirable thing about the Boer Government is its patiently compiled voluminous State records. Against the plea of guilty Barnato protested. To use his own words, "It was an act of suicidal mania, it was throwing up the game, it was throwing every chance away." He even told Mr. Krüger himself that no civilised court of law would ever accept such a plea to such a charge. All was, however, of no avail. The plea was made, was accepted, and the death sentences on some, with heavy fines and long imprisonment on the others, amongst whom was his nephew, were pronounced under the ancient Roman-Dutch Law, of which Mr. S. Paul Krüger, in his earlier days of successful armed rebellion against the Republic as then constituted, had probably never heard. When the sentences had been pronounced Barnato gave free vent to his passionate indignation. He sought an interview at once with President Krüger, and addressing him in terms that have probably never before been applied openly to the head of a State, charged him with treacherously obtaining the plea of guilty, because he knew that even a foreign judge and an old trumped-up law could not have secured conviction in all cases. He threw down his defiance at once, declaring that if the sentences were not commuted and all the prisoners released within a fortnight he would shut down every mine over which he had control, and throw out of work more white men than the Republic had Burghers. Deeply moved as Barnato undoubtedly was at the unexpected procedure and result of this peculiar State trial, there is no question but that his apparently uncontrollable passion was entirely subservient to his policy thereupon decided on. The same night, when returning to Johannesburg he was accompanied to the railway station by some hundreds of excited Englishmen wildly cheering, and from the station platform he denounced the President, the judge, and the trial in most inflam-

matory language, reiterating his determination to stop all work if the prisoners were not liberated; and the next morning at Johannesburg he at once arranged to give notices for closing down and suspending all work. He had condemned the line of action that the Reform Committee had pursued, and he had been sorely wounded in his pride that such a move should have been taken without consulting him; although he derived some consolation from the reflection that they had either to move without consulting him or not at all, as they knew quite well that he would never have allowed it; but from the conclusion of the trial he had only one thought, and that was to set all at liberty. For his own part, during the short time that elapsed between the sentences and their commutation, he suspended all other work, devoting himself to this alone. Before the fortnight's notices for closing down had expired, as a result of a further interview with the President, he extended the notices, and before the extended time had elapsed all the prisoners, except A. Woolls Sampson and Karri Davies, were released. He considered, and very justly, that this was a great tribute to his own work and influence. During the days of weary waiting he had been very anxious; to his sister, Mrs. Joel, the mother of S. B. Joel, he had always been very much attached, and his personal feeling was shown very strongly at this time when, at the family dinner, after sitting throughout the meal in silence, he rose, pushed back his chair, and saying, "How can I face the boy's poor mother if I don't get him out of tronk?"* left the room. He had, however, absolute confidence in himself and his power, and never doubted but that the Pretoria Government must give way, although he hardly expected that they would incline to mercy until he had shown that he was in earnest by actually closing down. He felt the tremendous responsibility of his threatened action, involving the sudden throwing out of work of 20,000 white men and 100,000 Kaffirs in

* The Cape Dutch word for "gaol," in general use throughout South Africa.



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a country where food and all the necessaries of life were exorbitantly dear; and the relief, when success had crowned his efforts, was correspondingly great. With this was a feeling of proud exultation at such a direct tribute to his power.

"No one else could have done," he said, "what I have done. If all the men (financial houses in the Transvaal) here had combined, they might in two months' time have been stronger than me; but no one but Barnato could say in a moment off his own bat, 'If you don't release those men I will shut up half the mines, and throw more white men idle than you have Burghers in the State.'"

He had always before sought to keep on good terms personally with the President of the Republic, although he had never hesitated to speak out plainly on the many occasions when promised concessions to others had threatened his own undertakings; but it is scarcely to be wondered at that after this event the cordiality of his receptions at the Pretoria White House showed marked diminution. For this he personally cared nothing; he knew that his real power and influence had not been lessened.

When the effect of Barnato's diplomacy and shrewd negotiations began to be made manifest at Pretoria in the more conciliatory, or perhaps rather lest minatory attitude of the President, the change was readily appreciated in England. This appreciation was cleverly crystallised in a *Moonshine* cartoon, which I have received very courteous permission to make use of, and reproduce on the opposite page.

The cartoon was entitled:

"BARNATO THE CONJURER"

MR. CHAMBERLAIN, *loq.*: 'How on earth does he do it?'"

When all the members of the Reform Committee were again at liberty, he did not hesitate to express very frankly his opinion of their miserably mismanaged conspiracy.

"The conspiracy was," he said, "a crime. All was coming

right. Another two or three years at the outside would have seen a new Raad, more liberal treatment, and the mining industry more than doubled. The crying evils to be remedied were the corrupt public administration, the oppression of the State railway and the monopolists, and the exorbitant taxes on food to support a farming population that will not farm."

He ridiculed the assertion that there was any marked desire for the franchise or for State-aided English education for the children. He said:

"Men do not come to the Transvaal to vote, they come to earn money. The franchise would cost blood and money to obtain, and would never add sixpence a month to any one's wages, while even if it was granted not one Englishman in a thousand would give up his birthright to take an oath of allegiance to the Transvaal Republic. As for the education cry, if the people want English education for their children let them pay for it, I will do my part; but it cannot be expected that a Dutch Government will treat its own language as a foreign one."

A matter that at this time occupied very much of Barnato's attention was the Matabele rising in Rhodesia. It will be remembered that no sooner were the principal men among the chiefs of the late Lo Bengula made aware of the defeat and surrender of the dreaded Chartered Company's police in the Transvaal, and that even the Administrator Dr. Jameson was a prisoner, than they initiated an attempt to regain their former savage and despotic rule by the merciless slaughter of white settlers, women, children, miners and prospectors. The news of some of the most terrible massacres did not reach the Transvaal until several weeks had elapsed, and it seemed then that the whole of the Northern Extension was for a time doomed to relapse into barbarism, with the accompaniment of many further horrors. His decision was as usual prompt and very much to the point. It was on a Tuesday evening that he received some special telegraphic

news of a series of massacres having taken place, evidently by preconcerted action of the Matabele, and that the chiefs were rallying their old regiments.

"Here is the beginning of another trouble," he said, "and all arising out of the same raid here that put my nephew in tronk and risked my property. Madness! madness! all of it. The Matabele were struck all of a heap by Jameson's first attack on them. He marched into the country with his three columns, never giving the indunas a chance to make head against him, and sweeping away any regiments that gathered with his Maxims. With Lo Ben dead they submitted, and could have been held by the strong hand; but with Jameson and his troopers not only away but actually sent over sea as prisoners, of course they revolt, and the poor women and children have again to pay the penalty, as they had in the Glencoe disaster."*

The next morning he received intelligence of further massacres, and that Buluwayo was threatened. Before breakfast he dictated his plan for affording help.

The eastern province of the Cape Colony, from the Fish River to the Transkei, contains the very flower of the manhood of South Africa. Inured to native warfare in the Kafir wars of the borderland, happily now long past never to recur, the farmers and their stalwart sons have always been ready to volunteer for dangerous enterprises, and it was from these that gallant Captain Landry had in his youth gone to serve in the Crimea, and in his later years had led his volunteer troop (Landry's Horse) to the Diamond Fields when danger threatened.

* The Glencoe disaster was a terrible railway accident which occurred on December 30, 1895, to a train crowded with refugees from the Transvaal who were seeking safety in Natal. The light and altogether unsuitable saloon corridor carriages of the Netherlands Railway Company were crowded to their utmost holding capacity with women and children flying from the expected Boer bullets and the frenzied rapine of drunken Kafirs. While travelling at thirty miles an hour through a deep rocky cutting they left the rails and over fifty, chiefly mothers and little children, were killed, while the cases of serious injury exceeded 100.

"There," said Barnato, "are to be found the men I want. I will at once equip a hundred mounted infantry to help in Rhodesia and save as many of these poor women and children as possible. There will be no difficulty about obtaining this number from the best of the border men. They can be here in a fortnight, and all arms and equipment can then be ready for them to go straight away. In a month from to-day, they shall be in Buluwayo. Another company can be fitted out to follow after them. Through the Zoutpansberg will be the best route. Work up all details of equipment and arms to-day, and go down to see Landry as to enrolling the men to-night. He will help if he can; at any rate, you know all the men. I will wire to Capetown this morning what I am doing."

During the afternoon, however, in consequence of the reply from Capetown, he abandoned the plan.

"It is awful to think of," he said the same night after dinner, "that those poor women should be slaughtered by the Matabele, but I can do nothing now. And my men could have been there quicker than any other reinforcements."

Each company was to have consisted of 100 men in the ranks, and with officers, sergeants, commissariat and transport staff, Maxim gun crew, and three surgeons, would have numbered 150 all told. Each company thus constituted was to be accompanied by 200 chosen native auxiliaries.

Early in June he decided to return to Capetown and proceed thence to England. All Transvaal business had been again placed in good trim, and his guiding hand was no longer required. The strain, however, had been very great, and he felt, and dreaded to feel, the effects. He complained again of being unable to cast off the work. Finding him one morning looking very tired and worn when he came down to me, as was frequently his custom, clad only in pyjamas, to take morning coffee on the stoep, I remarked on this, and asked if he had not been sleeping well.

"Oh yes, I sleep all right, but I can't forget the work; it is too much now; I feel it, and yet I can't leave it off."

"Try and read a little," I suggested.

"Well, I don't mind; what shall I read?"

"Oh, something light, in the short story line, that you can think over."

"Well, what? Tell me what, and I'll try it."

"Here is a favourite book of my own. I have been reading it while waiting for you. Rudyard Kipling's 'Story of the Gadsbys.' I will lend it to you."

"All right, I'll read it to-night."

I did not see him again until the second morning after, and then asked how he liked the book.

"I like it very much, it is very good, very clever. I did not begin it until early yesterday morning, and then wondered what you had given me. The first chapter is all about girls and darning stockings. But do you know, I put it in my pocket when I went down to the office, and looking at it again I sat there till I had finished it. I did what I do not ever remember to have done before, and clean forgot a Board meeting. C—— reminded me of the meeting, but I sat to finish."

"If it made you forget yourself for a while you had better try the same prescription again."

"No, it takes up too much time. The 'Heriot Woman' played her cards badly, but she had no chance."

We discussed the loves of Captain Gadsby until breakfast-time.

I repeatedly tried to induce him to make another incursion into light literature, but without success. He had no time for it, he said.

The last occasion on which I saw him was about a fortnight before he left England in November 1896, for the trip to South Africa from which he was not to return alive. He said:

"I'll get the book of Kipling's you lent me in Johannesburg. I think it will do me good to read it again."

The special 1896 visit was paid to Johannesburg at the height of the bicycle craze in England, and both Barnato and his wife and their little three-year-old daughter had cycles and rode them. During the three months of the stay in Johannesburg Mr. Barnato did not use his machine more than five times. It was the same cry, want of time, too much to think about. Yet he made it very clear that it was not worry or anxiety as to either present or future that so occupied him, but merely the vastness of the details of his multifarious projects. One morning at this time I suggested to him that instead of the usual interview on the stoep, he should cycle, and he could talk just the same.

"We'll have the carriage round, and drive to the Berea. I can talk to you then, but I can't on the bicycle. Worry! it is not worry. That means anxiety and uncertainty as to the future, with possible failure. I have never had a business worry since the Kimberley amalgamation days. There is going to be no failure in anything. I know how all my work is shaping, and everything is going right. While I am here there is Woolfie (Woolf Joel) in London; when I am there, Solly (S. B. Joel) is here. It is the immense amount of the work that presses me so, and, as you know by this time, I must look into everything for myself. It will be better in the future. The companies can look after themselves under their own directors. I have brought all my miscellaneous mining interests together under the Barnato Consolidated Mines. It only remains for me to consolidate all my industrial enterprises."

Of the particular enterprises that so occupied his attention by their detail management, none was more troublesome than the Waterworks Company for the supply of Johannesburg. The previous summer had been deficient in the usual rains, the existing sources of supply were clearly inadequate, and the town and district were increasing rapidly in extent and population. There had been much discontent, artfully

fomented by the promoters of rival schemes, and, in addition, it became evident that the fresh source of supply, acquired the previous year, and now about to be brought into service, would only afford a temporary relief. Every possible source of further supply within a radius of fifty miles of Johannesburg was carefully examined in detail, and he went through every report. The most promising water source was, in his opinion, Steinkoppjes, the actual fountain head of the Crocodile River, where, at a distance of thirty-five miles from Johannesburg, there was at half a mile from the fountain head, after prolonged droughts and in the driest season of the year, a swiftly flowing stream, twelve feet wide by five feet deep. For the time, however, he considered that the water sources available, together with the increased supplies from fresh borings, must suffice, and he postponed further action for another year. He explained his reasons for this very fully.

"I have and always have had to go very carefully with this water business. If I had not from the first been careful to associate a sound real estate business with the supplying of water the enterprise would never have paid at all. It is doing well now with a small capital, will do much better, and there are going to be no risks. In mining ventures the public know there is a risk: it is a case of winning much or losing. Water companies are different. They are the chosen investment of small people, clergy, professional men, and their widows. This class of investors holds largely in the Johannesburg Water Works Company because my name is connected with it. It would be very easy for me at once to put on foot the necessary works for bringing in Steinkoppjes, and for £250,000 to supply all the water that the whole of the Witwatersrand district can ever need. I have no doubt as to success and I have already bought all rights, but look what might happen. You know, but the people at home do not understand, that the Waterworks Company, alone of all the enterprises commenced in the Transvaal, has no con-

cession, no exclusive right. You know how —— and —— have all schemes for rival companies to foist on the public, how they have been endeavouring for years to get the Pretoria people to give or sell them concessions as the only course to give their projects an appearance of value. I know most of what is going on, but suppose —— came out some day with a concession and was able to find the capital. I might be shut out from participating in the increase of the town, and have his pipes alongside of mine. It would be a rank injustice I know, but consider the people we have to deal with at Pretoria. Some of them in the past have been ready to sell their souls for a new carriage or a gold watch. No, Johannesburg never has wanted water, it shall not want it, even though when the pressure is low we do have to send it round in carts again; but I am going to take no risks for those who have trusted me, and spend no money that the widow and the orphan cannot again get at call. D'ye understand? D'ye follow me? The people here grumble sometimes about the water, and you newspaper men make headlines about 'Water Famine,' and a 'Grinding Monopoly.' Just remember there hasn't been any water famine yet and there isn't going to be; and there is no monopoly."

"Did you ever try to obtain a concession?"

"If I could have got a concession and secured a monopoly I would have done so years ago, and have saved myself constant work. This Johannesburg water has cost me more time and trouble than anything else I have in hand, and I don't and never shall get any thanks for it."

He had already made several special donations and gifts to the Johannesburg hospital, and before he concluded this, his penultimate visit, he gave £10,000 to build a new wing and increase the accommodation for in-patients by one hundred beds. This Barnato wing has now been completed from the plans of Mr. Reid, the eminent Johannesburg architect, and is fully utilised for the relief of white and black.

When he left Johannesburg with Mrs. Barnato, the two

children and his personal servants, the departure was unexpected, as were most of his movements, unless he had a distinct purpose to serve by advertising them; but there is always a great gathering of both business men and private people at the Johannesburg railway station for the departure of the weekly mail train, and that he was going was soon noised abroad. He had consequently to make his way to the car through hundreds of friends all seeking a concluding handshake and the kindly word that never failed to accompany it. As the train steamed out of the station, every platform, the earthen banks and timber erections for the new works then in progress, and every place of vantage, all were closely packed to speed the departure of the most popular man connected with the Transvaal. He stood with Mrs. Barnato on the end platform of the car, evidently much affected, and waved adieu to the cheering thousands until the train curved from view. Those ringing cheers marked his last triumphant departure.

CHAPTER XIV

THE CLOSING SCENES

Last months in England—Against the tide—The hunted man—A pack in full cry—The last departure for South Africa—Gathering the reins at the Rand—Weary and ill—In Parliament again—The unfinished voyage

In July 1896 Barnato returned to England, much worn by his heavy work on the Rand, and having ever in mind the need for further consolidation of his various industrial enterprises, as apart from the mining propositions. The wild rush of speculation in the previous year, when the mere hint of an intention to found the Barnato Bank had sufficed to inflate prices far beyond even his control, had made the work of piloting the ship through the shallows of the slump a work of the greatest difficulty; and he had decided that the best course to adopt in the interest of his shareholders was to let the Bank be towed in the wake of the Johannesburg Consolidated Investment Company. To effect this arrangement and reconcile all the various interests was the work of the next five months. It was incessant wearying work, not merely unrelieved by the popular applause which for years had attended all his undertakings, but made more difficult by the constant attacks of hosts who had before lauded him.

In 1895 he had been the great centre of interest in the financial world, and he had accepted the incense freely offered by the votaries of Mammon. He lived and moved then, without being able to escape, surrounded by crowds of

worshippers eager to note every trivial circumstance. His horse stumbled and there was a slight accident to his cab: at once London and the world was notified that an accident had happened to Mr. Barnato, the South African millionaire. He fancied a red herring for his breakfast: the ubiquitous interviewer caught him at the meal, and the fact was published for the edification of the faithful. At railway stations people rushed to stare at him, and when, during a brief stay at Brighton, he still kept the open table which the custom of years had rendered a matter of course, his menus, and the daily cost of his luncheons, formed fruitful subjects for imaginative young journalists to dilate upon. He was the financial lion of the hour and could not escape the process of lionisation; neither could he command attention when the gaze of the crowd had been satisfied and a new lion had been found. The change came long before the end of the year. As a tried and experienced mariner in the sea of finance he had, with a full knowledge of the course, gone confidently on, with all his argosies in full sail, sure that the flowing tide would bear him safely into port; but suddenly the current turned, and for the first time in his life he knew not why.

The signs of a falling market became evident in September 1895. In October there was no question but that the threatening slump was upon the market, and Barnato did actually all he could to arrest it, not knowing whence it came. As a result of his efforts prices came down gradually, the fearful panic of a sudden fall was avoided, and he lost without hope of recovery three millions of money; receiving in return that rare testimonial, a Mansion House Banquet of Honour. It is not in this place that an apology for such a testimonial is to be written, but there is a little story of a boy who discovered a small leak in a Dutch dyke; who, having nothing else at hand to prevent the rapid flow of water, plugged the hole with his hand, and remaining there for hours, saved the land from annihilation. He was called a hero, and no doubt, if enemies had persistently endeavoured to

enlarge the hole, he would gladly have wedged his whole body in to prevent the flood.

When the Johannesburg revolution was attempted, and the raid attended it, then for the first time Barnato realised the forces that had been arrayed against him in the struggle to maintain prices, and he knew why he had been left. Fresh from this financial fight he went out hastily to save those who had been the agents of the evil. In the previous chapter the work that he then accomplished has been so far dealt with, but it is not in this memoir that the whole work of those agents of the evil can be fully and truly told.

He came back to build anew, to reconstruct and amalgamate, but nothing that he could do pleased his censors. Whereas one or two journals only had before kept up a traditional policy of opposing him, now it seemed to him that there was a great pack following in full cry. For five months he went steadily on his way, showing few signs that the strain was telling; then came the time in November when S. B. Joel was due to return to the Rand, and the day before his departure Barnato suddenly thought he would go back with him, but was dissuaded and gave up the idea. The next day, Saturday, he went to Southampton to see his nephew off, and then on the mail-boat determined to go as far as Madeira for a fortnight's rest. On arriving there he received news, both South African and English, which showed that he was, as he considered, being hunted more closely than ever. He determined that he would continue the journey, would once again take the detail supervision of every project he had in hand; and when he had commanded success, would again return to London with new projects, new flotations, able once again to proudly declare:

"I have never made a mistake in the investment of money in my life."

Just before he went away he had a very long conversation with Louis Cohen, and roughly totted up his financial position. Cohen said:

"What do you want to go on slaving for? If you make five millions more, what good will it do you?"

"No good, but," pointing to a photograph of his two little boys, "when I am dead I would like those two boys, as grown-up men, to point to my portrait and say, 'Well, he was a clever little chap that father of ours.'"

One evening about this time he went to the Court Theatre, also with Louis Cohen. No seats had been booked; Barnato, as usual, had no money, and Louis Cohen had only a sovereign. Barnato borrowed this, saying that he would engineer the other shilling for their stalls somehow. Under the portico of the theatre was a man, not quite blind, but with defective sight, who solicited charity. Barnato turned to Cohen, saying:

"Do you mind, Lou, if we go into the circle, instead of stalls?"

"Oh no; just as you please."

He then went to the office and asked for two circle seats.

"Very sorry, sir, but all are gone. I can give you two side-stalls if they will do."

A huge smile broke over Barnato's face. "I have not come prepared to pay for stalls," he said.

"Very well, sir. You can have the stalls for circle price."

He took his vouchers for the seats, went out to the man, gave him the whole five shillings change, and turning to Cohen, said:

"Now, that is what I call finance."

Apropos of finance, Barnato was one day discussing with myself the chief financial measures of recent English Governments, a subject which he studied most closely. He said:

"The two most brilliant financial suggestions I can call to mind in the whole of Government finance, either British or foreign, are the match-tax of Robert Lowe and the wheel-tax of Goschen. If these taxes had been agreed to they would have brought in huge revenues. The match-tax would have

been felt by no one, and, so far from adversely affecting the match-workers, would, under the conditions of foreign competition since developed, have been a material protection. The wheel-tax is absolutely the only way of making the people who use the roads most for trade purposes pay their proper share towards the cost of maintenance and repair. Yet the match-tax proposals wrecked Lowe's career, and the wheel-tax was nearly as fatal to Goschen."

For five months he worked in Johannesburg without rest, but not as before without fatigue. He was no longer the Barney of the old camp-days, fit for everything and always fit. He began to suffer from sleeplessness, and could not bear ever to be alone. Towards the middle of April he fell ill—nothing serious, a slight fever with great prostration and some delirium. He was persuaded to quit work entirely and go to Capetown. There he took his place in Parliament, and when the question of the subsidy paid by the Cape Colony to the steamship companies for the postal service was under consideration, he entered into the debate with all his old energy. He condemned in scathing terms the grinding monopoly of the shipping ring which battens on South African industry; and threatened that he would, in certain eventualities, himself establish a competing service of steamers, and definitely smash the confederation. Then he became ill again, and the accessions of delirium were so frequent and serious that S. B. Joel came to him from Johannesburg, and arranged to accompany him to England. Barnato, with his wife and family and S. B. Joel, sailed for England in the *Scot* on June 2.

From the day on which the *Scot* left Table Bay, Barnato became to all appearances markedly better. The loving care of wife and nephew suffered no abatement of watchfulness, for he still disliked to be left alone for an instant; and throughout every night watch was kept on his cabin door, so that, even should he desire to come on deck in the night, because of the occasional sleeplessness, he would find some

one to walk with and talk to. On Monday morning, June 14, he was particularly bright and well, and at luncheon displayed his former accustomed happy vivacity and lightheartedness. After luncheon he conversed with several fellow passengers on deck for a while, and then began to pace, at his usual hurried rate, up and down with his nephew. After nearly an hour of this promenade S. B. Joel suggested resting, but Barnato preferred to walk, although a few minutes later he did sit down.

At this time few persons seem to have been on deck, but some yards away, Mr. W. T. Clifford, the fourth officer of the *Scot*, was taking his siesta, nearly asleep in a deck-chair. Suddenly Barnato asked the time, and S. B. Joel, looking at his watch, replied that it was thirteen minutes past three ; as he replaced the watch in his pocket Barnato suddenly sprang overboard. There had been no warning change of demeanour, no conversation, nothing to indicate the sudden disturbance of mental balance. Joel cried for help, and Clifford, hastily awakened, rushed up, and without hesitation dived from the ship's rail. There had been a stiff gale the day before, and there was still a strong wind with rough sea, while the *Scot* was steadily driving on at her regular 17 knots an hour. At the cry of " Man overboard ! " buoys were thrown, the ship was instantly turned to retrace her course, while, before the startled passengers could crowd the decks, a lifeboat was manned and launched, and was speeding on its way, with doctor on board.

Clifford was reached first by the lifeboat, and was hauled on board unconscious and almost spent. A few yards farther on and Barnato's body was seen floating face downwards on the water motionless. All that medical skill could do was commenced at once in the boat, which as it returned to the *Scot* was greeted with loud cheers from all on board in the belief that no life had been lost. But immediately a hush fell upon the ship, for, as the boat was raised, it was seen that the cheer had been premature. Clifford was saved indeed, but

the man he had gone to save was beyond help. For two hours artificial respiration was continued to the body of Barnato, without avail, and it was reserved for an English burial. To the suddenly and so fearfully bereaved wife and nephew, and to the three little children, too young almost to know what had happened to them, the heartfelt sympathy of all on board went out, nor was the living hero forgotten. An address, expressing the admiration of the passengers, was drawn up, and with a testimonial purse containing over £100 hastily collected, was presented to Mr. Clifford by Sir Henry de Villiers, the Chief Justice of the Cape Colony, who, with the Premier, Sir Gordon Sprigg, was a passenger on board.

The *Scot* arrived at Southampton on Friday night, June 18, and immediately an inquest was held. The simple and direct evidence, together with the finding of the jury thereupon, completes the sad story.

The first witness called was Mr. S. B. Joel, who said :

"I was a fellow-passenger with the deceased, my uncle, on board the *Scot*. About a quarter-past three last Monday afternoon we were walking up and down together. I was tired and wanted to rest, but he declined to go below, and we kept walking to and fro. At last I sat down, and said to him, 'Come and sit down.' He said, 'What time is it?' I pulled out my watch and replied, 'By my watch it is thirteen minutes past three.' I had closed my watch, and was putting it back in my pocket, when my uncle jumped overboard. I cried out 'Murder!' and tried to catch hold of him. I did touch the bottom of his trousers, but could not hold. Mr. Clifford was near, and hearing my call, rushed up, saying, 'What is it?' I pointed to my uncle in the water and cried, 'For God's sake, save him!' Mr. Clifford at once slipped off his coat and jumped into the water. He was then perhaps fifty or sixty yards from my uncle. Several lifebuoys were thrown, the ship was stopped, a boat was lowered, and the ship was turned round. The officer was

first seen, and a little farther on Mr. Barnato was picked up. Every endeavour was made to restore him, but unsuccessfully."

The Coroner: "What state of mind was the deceased in?"

Mr. S. B. Joel: "His mind wandered at times, at other times he was well. I had not left him all day. He was not violent at all, nor had he shown any signs of suicidal mania."

Mr. S. B. Joel volunteered this further statement: "Three weeks before, when at Johannesburg, I received a telegram from Mrs. Barnato at Capetown to the effect that her husband was in a very bad state of mind. I at once went to Capetown, and found that my uncle was very queer, and had not been to bed for three nights. He improved sufficiently to come to England on the day that he had some weeks before arranged for, and I came with him solely to look after him and help Mrs. Barnato."

Mr. W. T. Clifford, in the course of his evidence, said "that his attention was called by Mr. Joel's shout, and after some words had been spoken which he did not remember, he took off his coat and went overboard. He was not able to reach the body, and he was picked up by the ship's boat. A heavy sea was running, but he had the deceased in view for some time. He got rid of some of his clothes, but what remained hampered him so that he made little progress, and went under water. Then he saw a lifebuoy close by and caught hold of it. He did not remember what else happened, but he was told afterwards that when picked up he was within ten yards of the body."

The jury returned a verdict of "Death by drowning while temporarily insane."

On the Saturday night Barnato's body was conveyed by special train from Southampton to London to the house of his sister, Mrs. Joel, No. 6 Hyde Park Mansions, Marble Arch, and the funeral procession started thence on the following Sunday afternoon. It had been desired that this last ceremony should be as simple and private as possible. The

mourners were the brother, Henry I. Barnato, and the nephews, and the funeral ceremony itself was conducted at the graveside in Willesden Cemetery with the severe simplicity of the Hebrew rite; but a long procession of nearly two hundred carriages followed the immediate relatives, containing business and private friends, men of all ranks, who desired to render this last mark of respect; while many thousands followed on foot, and the whole length of the miles of streets from the house to the grave was lined with people.

He was laid to rest by the side of his father.

* * * * *

He who as a sturdy, broad-shouldered boy, twenty-five years before had gone full of hope, fire, resolution, and energy, to seek name and fortune in the distant desert, had found both; but, in the height of his career, with every prize that the world could offer open to him, with the wife of his young love and his little children close by, with every domestic and family happiness attending him, with numbers of tried friends no less devoted than were his own relatives at his call—had fallen.